CITY OF ALLEN

Annual Comprehensive Financial Report

Fiscal Year Ended September 30, 2021

CITY OF ALLEN, TEXAS

CITY OF ALLEN

CITY OF ALLEN, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT

CITY OF ALLEN

FISCAL YEAR ENDED
SEPTEMBER 30, 2021

AS PREPARED BY THE
FINANCE DEPARTMENT

CITY OF ALLEN

City of Allen, Texas
Annual Comprehensive Financial Report
For the Fiscal Year Ended September 30, 2021
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CITY OF ALLEN

Introductory Section

CITY OF ALLEN

CITY OF ALLEN

February 17, 2022

Mayor Kenneth M. Fulk
The Honorable Mayor and Members of the Allen City Council,
Citizens of Allen:

The Finance Department is pleased to submit the Annual Comprehensive Financial Report (ACFR) of the City of Allen, Texas (the City), for the fiscal year ended September 30, 2021.

This report is published to provide the City Council, our citizens, City staff, and other readers with detailed information concerning the financial position and activities of the City. Management has prepared the report and is responsible for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures. To the best of our knowledge and belief, the enclosed data is complete and reliable in all material respects. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

Also included in this report is an unmodified ("clean") opinion on the City of Allen's financial statements for the year ended September 30, 2021, issued by Weaver and Tidwell, L.L.P. The independent auditor's report is located at the beginning of the financial section of the ACFR.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and the two should be read in conjunction with each other.

REPORTING ENTITY

This report includes all funds of the City including its component units. Component units are legally separate entities for which the City is financially accountable but are not part of the City's operations. The Allen Economic Development Corporation (AEDC) and Allen Community Development Corporation (ACDC) are included in the financial statements as discretely presented component units.

CITY PROFILE

The City of Allen is located in Collin County, which is the 16th fastest-growing county in the nation. Collin County's population reached 1,095,576 in 2021 and is expected to reach 2.4 million by 2050. Located 25 miles north of downtown Dallas on US 75, Allen encompasses approximately 27 square miles. The George Bush Tollway and Sam Rayburn Tollway (Hwy 121) provide direct access into the Metroplex and access to Love Field (27 miles) and Dallas Ft Worth International Airport (31 miles). The City of Allen sits in a prime location for restaurants, shopping centers and other retail venues. The quality of the City's community attracts well-educated residents with a high level of spending power and disposable income. Allen's population reached 108,207 residents in 2021, more than doubling from just over 45,000 in the year 2000 and is projected to reach approximately 140,000 at build-out.

Incorporated in 1953, Allen is a home rule charter city. The Charter can be amended only by a vote of the people and provides for seven non-partisan Council members, including the Mayor, to be elected at-large to staggered terms of three years. The Council is responsible for enacting ordinances, resolutions, and regulations governing the City as well as adopting the annual budget which serves as the foundation for financial planning and control. The City Council appoints the City Manager, who has full responsibility for carrying out Council policies and administering City operations. The Council also appoints the Municipal Judge and various advisory boards.

City service departments provide a full range of services including police and fire protection, emergency ambulance service, municipal courts, building code enforcement, library, parks and recreation, tourism, water and sewer services, sanitation/solid waste services, traffic engineering, and construction and maintenance of streets and infrastructure. The City currently supports a staff of 847.44 full time equivalent employees.

ECONOMIC CONDITIONS AND OUTLOOK

Regional Economy

The Dallas-Fort Worth area has an incredibly diversified economy, an extremely low unemployment rate, a growing labor force, low cost of living, affordable real estate, and a superior business climate. The City of Allen's unemployment rate as of September 2021 was 3.6%, and the Collin County unemployment rate was 3.8% -- both of which were below the national rate of 4.7%. The City has seen the job market increase by 3.3% over the last year. Allen has increasingly become a home for highly educated, high-income professionals, yet maintains a welcoming spirit for people and families from all stations of life. The median household income in Allen was $113,790 in 2021, and over 55% of the City's residents have earned a bachelor's degree or higher.

Allen's Position in the Region

Along with being situated in an ideal location just 12 miles north of Dallas on US 75, Allen's appealing demographics have spurred along record-breaking growth. The population of 108,207 is expanding at a moderate growth rate. Allen is a community that offers exceptional housing, award-winning schools, steady job growth, and dynamic business climate all of which are strong factors in the success of the City's economy.

Allen is a vibrant city with award winning amenities. The pro-business environment and superior quality of life come together to empower Allen's residents and businesses to achieve higher levels of success. This unique combination has received national recognition, including AdvisorSmith ranking Allen the 5th safest mid-sized City in America (2021) and an overall Niche grade of "A+".

Long Range Financial Planning

The City's responsiveness to emerging economic challenges and its long-term planning have been key factors in its fiscal health. The City has a five-year financial plan and a seven-year capital improvement plan where departments reevaluate project priorities, review funding sources, and identify new projects as needed. Using this plan allows the City to plan the timing of projects associated with debt issuance and the effects on the tax rate. In June 2021, the ratings on the City's General Obligation debt were reaffirmed at AAA by Standard and Poor's and Aaa by Moody's. The Water and Sewer Revenue Bonds are rated 'AAA' from Standard and Poor's and Aa2 from Moody's. The S&P's June 2021 rating report supporting the 'AAA' rating stated the following credit factors:

- Very strong economy
- Very strong management with strong financial policies and practices
- Very strong budgetary flexibility and strong budgetary performance
- Very strong liquidity
- Adequate debt and contingent liability position
- Strong institutional framework score.

During fiscal year 2016, the City began a CIP Bond Program that totaled $93 million and estimated to be completed over seven years. During fiscal years 2017, 2018, 2019, and 2020 respectively, the City issued $8,355,000, $11,845,000, $8,630,000, and $23,385,000 related to the Bond Program. In fiscal year 2021, the City issued $10,595,000 of General Obligation Improvement and Refunding Bonds to construct library facilities, make improvements to streets, and to refund certain outstanding obligations of the City.

Additionally, during fiscal year 2021, the City issued $22,945,000 in Combination Tax and Revenue Certificates of Obligation to construct a new recreation center and make public infrastructure improvements. The City also issued $10,675,000 in Water and Sewer System Revenue Bonds. The purpose of the bonds is to fund water and sewer line replacements in older neighborhoods within the City. This is a change in philosophy as the City had been funding all Water and Sewer Fund capital improvements with operating funds and has now adopted a hybrid approach that will slow customer rate increases as wholesale rates from NTMWD increase.

Fiscal Year 2021 Highlights

During fiscal year 2021, the City accomplished many initiatives to enhance livability, improve personal experience, invest in the future, and celebrate the successes. From quality neighborhoods to park development, community safety, and environmental initiatives, it's no surprise that people move here to experience the quality of life the citizens of Allen enjoy.

As the City's population continued to grow, the need for new housing continued as well, with the Community Development Department issuing over six-hundred residential single family building permits for the past year. The City welcomed a variety of new businesses, including Highlands Residential Mortgage, Micron Technology, Inc. and Crawford & Co. Finally, the City facilitated several new residential developments including The Montgomery Urban Residential, Uptown Crossing senior living community, and Stacy Green Townhomes. The City also administered Community Development Block Grant funds which went toward the rehabilitation of twenty-four homes within Allen's older neighborhoods.

The City has an overall crime rate of 11 per 1,000 residents, making the crime rate here near the average for all cities and towns of all sizes in the United States. However, compared to other communities of similar population size, the City has a crime rate that is one of the lowest in the nation. This means that for comparably sized cities across the United States, the City is one of the safest according to *NeighborhoodScout's* exclusive analysis of FBI crime data. *NeighborhoodScout's* research shows that Allen's violent crime rate is 1 per 1,000 inhabitants, which is well below the national average for all communities of all population sizes.

The Fire Department continues to respond to the COVID-19 pandemic, increase awareness of available Emergency Medical Services, and deliver the highest level of care to its citizens and visitors. The Fire Department re-wrote medical treatment protocols to include the latest in-patient care, expanded professional development programs for staff, provided education programs to the community, and installed additional outdoor warning sirens. The renovation of the central fire station was completed, and the design phase of Fire Station #6 has started. Lastly, the department increased inter-operability with neighboring fire departments through joint training and resource sharing.

Environmentally focused public activities have continued to be impacted due to COVID-19. Educational opportunities were provided to home schoolers, local schools, scouts, and youth camps. Despite the pandemic the City was able to provide 58 programs to over 500 children. Various Keep Allen Beautiful (KAB) youth contests and award ceremonies were conducted on-line along with Council recognition. CWD also continued to support all residential and commercial waste and recycling activities despite pandemic impacts on their operations. KAB and the City continue to be recognized by Keep Texas Beautiful as a Gold Star Affiliate and Governor's Community Achievement Award - Sustained Excellence Award Winner. The City celebrated its 21st annual Arbor Day with over 100 new trees planted throughout the City. 2021 marks the City's 20th year as a Tree City USA, and its 19th National Arbor Day Foundation Growth Award.

The Allen Public Library (the "Library") continues to provide a vibrant, welcoming environment for Allen citizens with an emphasis on exemplary customer service and support for lifelong learning, literacy, access to information, and bringing the community closer together. To encourage literacy and lifelong learning, the Library offers programs for children and teens on art, science (including robotics and coding), animals, and reading. Adults find opportunities to feed their literary, cultural, historical, musical, and travel interests augmented by hands-on activities for crafts and food. During the hot Texas summers, visitors of all ages participate in the cool Summer Reading Clubs, while reading, learning, and earning prizes. The Library's digital collection, both e-books and e-audiobooks, continued to grow with the cloud Library service, notably

through a consortium with thirty-three other Texas libraries, to offer more than 215,000 items. Physical books and DVD's remained more popular than ever, especially among children and families. During fiscal 2021, the Library was recognized by the Texas Municipal Library Directors Association for the seventh consecutive year for Achievement of Library Excellence. The Library also provided citizens with access to information outside the Library through databases, Interlibrary Loans, and expanded options for digital books, audiobooks, digital magazines, and digital graphic novels from *cloudLibrary*.

During fiscal 2021, the CDC oversaw the expenditure of Type B half-cent sales tax revenue on projects that include: trail development and enhancement; Allen USA Celebration; Demand Response – paratransit transportation − Trail Marker Program; 3rd party consultant for TRC process; planning and design services for the future dog park; irrigation central control replacements; Heritage Park renovation; playground shade structures; recreation facility security cameras and fitness equipment; Rolling Hills Park - planning and design; Erosion control at the Courses at Watters Creek; steam locomotive at Allen Heritage Center; and the Parks and Recreation master plan update.

The Allen Economic Development Corporation (AEDC) worked to bring a variety of companies and related development to Allen. The AEDC facilitated the completion of *One Bethany West* at Watters Creek, the 200,000 SF Class A office building that was 50% leased upon opening. The AEDC recruited MD7, a mobile infrastructure consultancy to relocate their corporate headquarters to One Bethany West, which will create over 200 new jobs. Micron Technology was also welcomed to the newly constructed building, which will house approximately 200 of their employees. Numerous companies opened including: the relocation and expansion of Brass Roots Technologies; completed construction of the Billings Productions facility, which included manufacturing operations and educational/community space. The AEDC facilitated commencement of construction for Allen Tech Hub, a 105,000 SF technology-focused office building in Watters Creek by Heady Investments. They also negotiated and executed the infrastructure incentive agreements for The Farm in Allen, a 135-acre mixed-use development with over 1.6 million SF of office space and a family friendly entertainment venue aptly named The Hub. The AEDC also helped process $3 million in local small business grants authorized by City Council.

One of the City's major draws, Allen Event Center, consists of the main arena and support facilities, the Allen Community Ice Rink, the south parking structure, and shared ownership of the north parking structure with The Village at Allen. The Center hosts a wide variety of activities including shows, concerts, exhibitions, contests, athletic competitions, cultural events, trade shows, as well as civic ceremonies and activities. While the facility typically has an estimated annual economic impact of over $12,000,000, the COVID-19 pandemic continues to affect the attendance of sporting events and live shows. Allen Event Center is also the home to professional sports; the Allen American Hockey Club (ECHL), and the Dallas Sidekicks Soccer Club (MASL). The Center celebrated its 12th anniversary in November 2021.

With all this happening within Allen's borders, it's clear that the city is working hard to provide every resident and visitor with great experiences, services, and safety.

Relevant Financial Policies

The City's financial policies and practices set forth the basic framework for the fiscal management of the City. The policies and procedures were developed within the parameters established by applicable provisions of the Texas Local Government Code, the City of Allen charter, and internal management laws, and are reviewed on a periodic basis. The Investment Policy is also approved annually by the Council. All other policies (accounting, budgeting, procurement, capital improvements, asset management, and risk management) are internal policies approved by the Finance department and City Manager. On a quarterly basis, the Finance Department prepares financial and investment reports that are presented to the City Council.

Internal Control

Management of the City, through its Finance Department, is responsible for the implementation, maintenance, and monitoring of a set of comprehensive internal controls. The goal of the City's system of internal control is to limit opportunity for theft, fraud, or abuse by ensuring adequate separation of duties

and systematic monitoring with a positive control environment set at the top of the organization. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

AWARDS AND ACKNOWLEDGEMENTS

Awards -- The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Allen for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2020. Fiscal year 2020 was the twenty-second consecutive year for which the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, for Excellence in Financial Reporting, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The City also received the GFOA's Award for Distinguished Budget Presentation for its annual program of services dated October 1, 2020. This is the twenty-second consecutive year the City has received the award. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories including policy document, financial plan, operations guide, and communications device.

Acknowledgements – We would like to express our sincere gratitude to City's personnel who contributed to the production of this report, especially the accounting division. Appreciation is expressed to representatives of Weaver and Tidwell, L.L.P., for their invaluable assistance in producing the final document, and to the City Manager's office and the members of the City Council, whose leadership and commitment are vital to the health and vitality of the City of Allen.

Respectfully submitted,

Eric Ellwanger
City Manager

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Allen
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

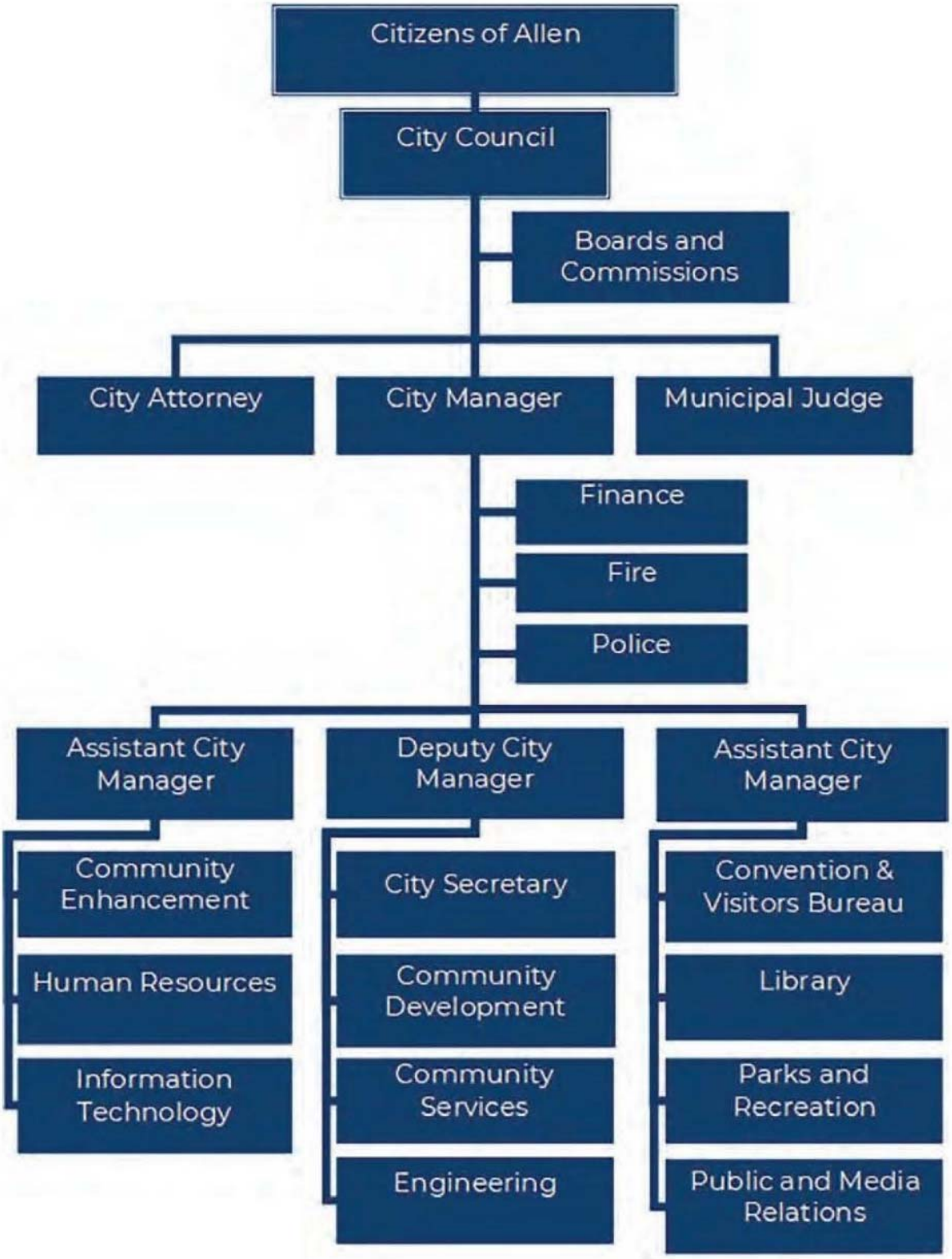
September 30, 2020

Christopher P. Morrill

Executive Director/CEO

CITY OF ALLEN

ORGANIZATIONAL CHART



CITY OF ALLEN, TEXAS
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

CITY OF ALLEN

Councilmembers

Mayor	Kenneth M. Fulk
Mayor Pro Tem, Place No. 6	Baine Brooks
Councilmember, Place No. 1	Daren Meis
Councilmember, Place No. 2	Carl Clemencich
Councilmember, Place No. 3	Dave Cornette
Councilmember, Place No. 4	Chris Schulmeister
Councilmember, Place No. 5	Dave Shafer

Management Staff

City Manager	Eric Ellwanger
Chief Financial Officer	Peter Phillis
Assistant Chief Financial Officer	Chris Landrum
Strategic Services Auditor	Ryan Patterson
Chief Accountant	Tru Nguyen

Financial Section

CITY OF ALLEN

Independent Auditor's Report

To the Honorable Mayor and Members of the City Council
City of Allen, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Allen, Texas (the City) as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City as of September 30, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and budgetary comparison schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and budgetary comparison schedules, as listed in the table of contents, are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and budgetary comparison schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 17, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
February 17, 2022

Management's Discussion and Analysis

As management of the City of Allen, Texas (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended September 30, 2021.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources (net position) at September 30, 2021, by $647,175,402. Of this amount, $129,411,202 (21%) represented the unrestricted net position, which may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by $18,421,305. Out of this, $12,042,297 is from governmental activities and $6,379,008 is from business activities.
- On a government-wide basis, the City's total assets increased by $55,768,893 or 7% and total liabilities increased by $36,052,987 or 20%.
- As of September 30, 2021, the City's governmental funds reported combined ending fund balances of $143,575,916 an increase of $35,562,361 or 33% in comparison to the previous year. Approximately, $27,554,966 or 19% of the fund balance, is available for spending at the government's discretion (unassigned fund balance).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements.

Government-wide financial statements - The government-wide financial statements are designed to provide readers with a broad overview of the City's finances in a manner like that of a private-sector business.

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as useful indicators of whether the financial position of the City is improving or deteriorating. To assess the overall health of the City, other non-financial factors should also be taken into consideration, such as changes in the City's property tax base and the condition of the City's infrastructure.

The Statement of Activities presents information that shows how the City's net position changed during the fiscal year. All changes in net position are reported when the underlying event that gives rise to the change occurs, regardless of the timing of related cash flows. Accordingly, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused compensated absences). Both the Statement of Net Position and the Statement of Activities are prepared utilizing the accrual basis of accounting.

In the government-wide financial statements, on pages 19 through 21, the City is divided into three kinds of activities:

- **Governmental activities** - Most of the City's basic services are reported here, including the police, fire, library, community development, parks and recreation, municipal court, and general administration. Property and sales taxes, charges for services, franchise fees, and state and federal grants finance most of these activities.

- **Business-type activities** - The City's water, sewer, solid waste, drainage, and golf course operations are reported here. These are functions intended to recover all or a significant portion of their costs through user fees and charges.

- **Component units** - The City includes two separate legal entities in this report: the Allen Economic Development Corporation (AEDC) and the Allen Community Development Corporation (ACDC). Although legally separate, these component units are important because the City is financially accountable for them.

Fund financial statements - A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental, proprietary, and fiduciary funds.

Governmental Funds - These funds are used to account for most of the City's activities, which are essentially the same functions as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as resources available for future spending at fiscal year-end. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can be readily converted to cash. When compared with similar information in the broader government-wide financial statements, readers may better understand the long-term impact of the government's near-term financing decisions. Reconciliation is provided, which details the relationships or differences between governmental activities and governmental funds; reconciliation follows the fund financial statements.

The City maintains several individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund, Debt Service Fund, General Capital Projects Fund, Grants Fund and General Obligation Bond Fund, all of which are major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report. The basic governmental fund financial statements can be found on pages 22 through 28 of this report.

Proprietary Funds - The City maintains two different types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, solid waste collection and disposal services, drainage operations, and golf course operations. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses its internal service funds to account for vehicle, machinery, and equipment replacements and costs associated with workers compensation, liability and property insurance, and employee medical and dental insurance programs. These services have been included within governmental activities in the government-wide financial statements as they predominantly benefit governmental rather than business-type functions.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations, solid waste collection, and disposal services since they are major funds of the City. The Drainage Fund and the Golf Course Fund are the only remaining enterprise funds, and they are being presented as major funds even though they do not meet the criteria of a major fund. All internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining schedules elsewhere in this report.

The basic proprietary fund financial statements are located on pages 29 through 33 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside of the primary government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements are located on pages 34 and 35 of this report.

Notes to the Financial Statements - Additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements is provided in the notes to the financial statements located on pages 39 through 78 of this report.

Required Supplementary Information includes budgetary comparison schedules that have been provided for the general fund and grants fund to demonstrate compliance with the budget. Required supplementary information also includes schedules of changes in net liabilities and related ratios and on contributions to the City's pension and other postemployment benefits (OPEB). The City participates in Texas Municipal Retirement System (TMRS) for its pension plan and provides its employees with post-retirement healthcare benefits (OPEB). The required supplementary information is found on pages 81 through 89 of this report.

The combining and budgetary schedules referred to earlier include information for nonmajor governmental funds, internal service funds, and the discretely presented component units, and are presented immediately following the required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, over time net position may serve as a useful indicator of the financial position of a government. The assets and deferred outflows of the City of Allen exceed the liabilities and deferred inflows by $647,175,402 at September 30, 2021.

By far the largest portion of the City's net position, $502,191,637 or 78%, reflects its net investment in capital assets (i.e. land, buildings, infrastructure, vehicles, machinery, and equipment). The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

An additional portion of the City's net position, $15,572,563 or 2%, represents resources that are subject to external restrictions on how those resources can be used. The remaining balance of $129,411,202 (20%) is available to be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the current fiscal year, the City reported a positive balance in all three categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

The net position for governmental activities and business-type activities are summarized as follows:

Table 1
Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	$ 195,021,780	$ 148,922,914	$ 83,767,718	$ 68,394,367	$ 278,789,498	$ 217,317,281
Capital assets	455,623,057	463,536,156	126,714,228	124,504,453	582,337,285	588,040,609
Total assets	650,644,837	612,459,070	210,481,946	192,898,820	861,126,783	805,357,890
Deferred outflows of resources	13,438,962	8,349,361	1,664,766	990,388	15,103,728	9,339,749
Long-term liabilities	154,118,063	135,752,316	36,272,031	25,683,913	190,390,094	161,436,229
Other liabilities	21,517,657	14,972,875	3,366,712	2,812,372	24,884,369	17,785,247
Total liabilities	175,635,720	150,725,191	39,638,743	28,496,285	215,274,463	179,221,476
Deferred inflows of resources	12,324,295	6,001,753	1,456,351	720,313	13,780,646	6,722,066
Net position:						
Net investment in capital assets	388,795,081	392,368,425	113,396,556	113,355,391	502,191,637	505,723,816
Restricted	14,807,800	13,891,413	764,763	513,520	15,572,563	14,404,933
Unrestricted	72,520,903	57,821,649	56,890,299	50,803,699	129,411,202	108,625,348
Total net position	$ 476,123,784	$ 464,081,487	$ 171,051,618	$ 164,672,610	$ 647,175,402	$ 628,754,097

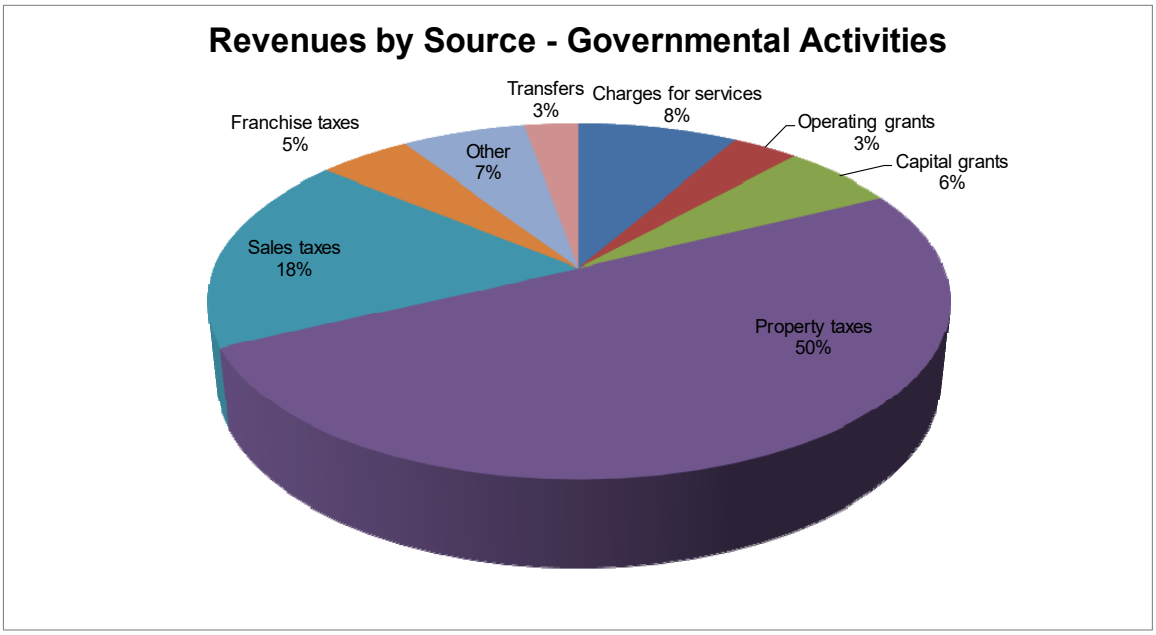
As of September 30, 2021, the City had an overall increase in net position of $18,421,305 for the primary government, which represents an increase of $12,042,297 for governmental activities and an increase of $6,379,008 for business-type activities. Details are in Table 2 as listed below.

Table 2
Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program revenues:						
Charges for services	$ 11,923,642	$ 9,748,420	$ 62,161,777	$ 61,940,373	$ 74,085,419	$ 71,688,793
Operating grants and contributions	4,874,743	3,427,631	-	-	4,874,743	3,427,631
Capital grants and contributions	8,535,198	10,639,664	5,695,888	8,332,962	14,231,086	18,972,626
General revenues:						
Property taxes	71,946,802	70,917,335	-	-	71,946,802	70,917,335
Sales tax	25,599,945	21,686,335	-	-	25,599,945	21,686,335
Franchise taxes	6,821,738	7,454,713	-	-	6,821,738	7,454,713
Hotel motel taxes	1,337,147	1,156,398	-	-	1,337,147	1,156,398
Other taxes	1,171,378	1,195,296	-	-	1,171,378	1,195,296
Interest earnings	1,118,970	4,246,550	398,387	1,140,957	1,517,357	5,387,507
Gain on sale of capital assets	322,084	144,347	7,585	9,713	329,669	154,060
Miscellaneous	5,311,149	4,188,530	444,175	353,278	5,755,324	4,541,808
Total revenues	138,962,796	134,805,219	68,707,812	71,777,283	207,670,608	206,582,502
Expenses:						
General government	22,940,360	24,937,087	-	-	22,940,360	24,937,087
Public safety	49,532,988	47,369,212	-	-	49,532,988	47,369,212
Public works	19,661,514	22,393,268	-	-	19,661,514	22,393,268
Culture and recreation	29,359,242	29,015,632	-	-	29,359,242	29,015,632
Community development	6,330,539	5,238,233	-	-	6,330,539	5,238,233
Interest on long-term debt	3,103,192	2,745,698	-	-	3,103,192	2,980,513
Water and sewer	-	-	46,442,937	45,524,999	46,442,937	45,524,999
Solid waste services	-	-	6,824,441	6,525,391	6,824,441	6,525,391
Drainage	-	-	1,497,014	1,555,570	1,497,014	1,555,570
Golf course	-	-	3,557,076	3,166,856	3,557,076	3,166,856
Total expenses	130,927,835	131,699,130	58,321,468	56,772,816	189,249,303	188,471,946
Change in net position before	8,034,961	3,106,089	10,386,344	15,004,467	18,421,305	18,110,556
Transfers	4,007,336	4,603,154	(4,007,336)	(4,603,154)	-	-
Change in net position	12,042,297	7,709,243	6,379,008	10,401,313	18,421,305	18,110,556
Net position, beginning of year	464,081,487	456,372,244	164,672,610	154,271,297	628,754,097	610,643,541
Net position, end of year	$ 476,123,784	$ 464,081,487	$ 171,051,618	$ 164,672,610	$ 647,175,402	$ 628,754,097

Governmental activities

Revenues – The following chart visually illustrates the City's revenue by sources for governmental activities:



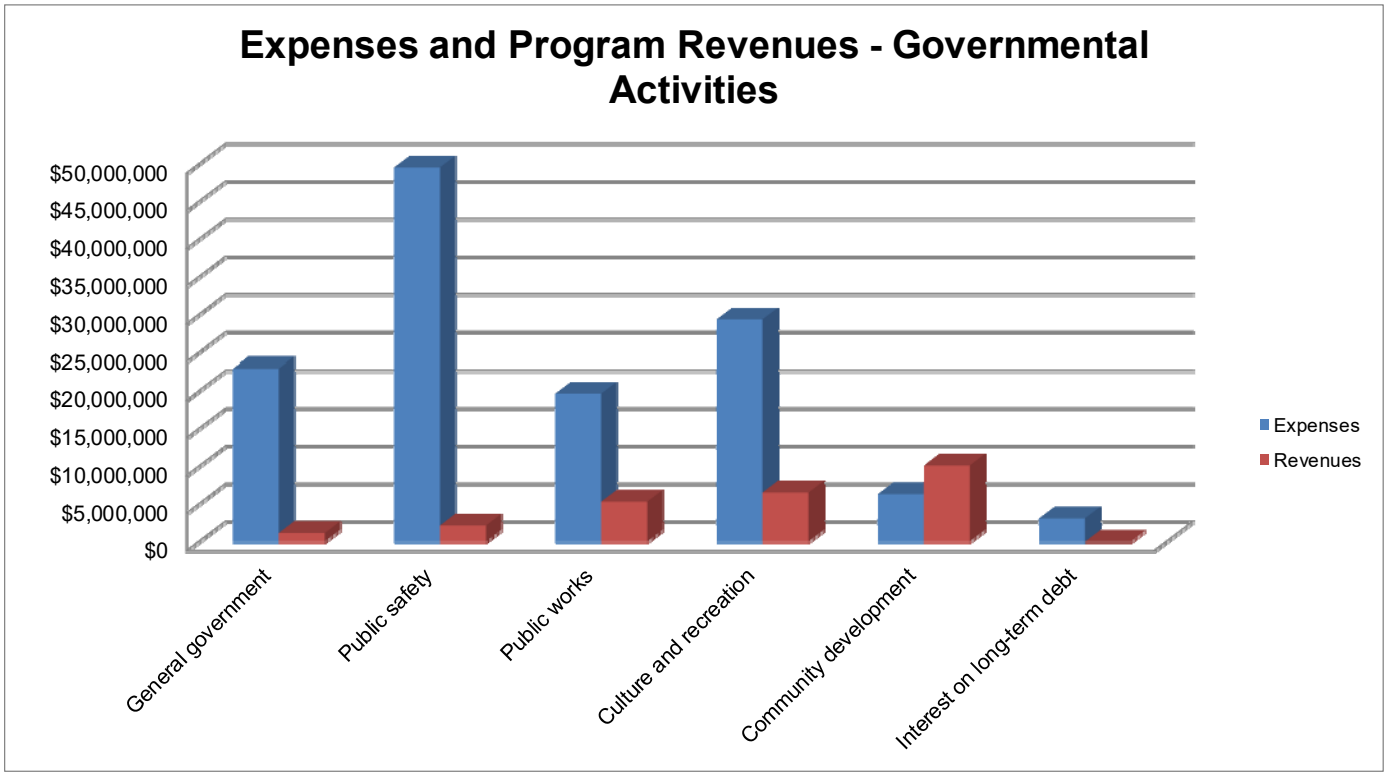
Revenues for the City's governmental activities totaled $138,962,796, an increase of $4,157,577 (3%). Major components of revenue increases and decreases are explained as follows:

- Property taxes increased by $1,029,467 (1%), due to an increase in assessed value and new property additions.
- Sales taxes increased by $3,913,610 (18%), as a result of stimulus payments and a robust recovery from the COVID-19 pandemic.
- Franchise taxes decreased by $632,975 (8%), due to lower activities because of coronavirus.
- Hotel motel taxes increased $180,749 (16%), as a result of increased travel.
- Other tax revenues decreased by $23,918 (2%), due to lower fines and activities.
- Charges for services increased by $2,175,222 (22%) primarily due to city facilities opening back up.
- Operating grants and contributions increased by $1,447,112 (42%), due to the recognition of grant revenue.
- Capital grants and contributions decreased by $2,104,466 (20%) with lower construction activities.
- Interest earnings decreased by $3,127,580 (74%) over prior year, as a result of interest rates and a decrease in fair market values of investments during fiscal 2021.

Expenses for governmental activities totaled $130,927,835, a decrease of $771,295 (1%) from fiscal year 2020. Components of increases and decreases are explained as follows:

- Expenses for General Government decreased by $1,996,727 (8%), due primarily to economic incentives and grants.
- Expenses for Public Safety increased by $2,163,776 (5%), due primarily to the scheduled salaries market adjustment for both Fire and Police departments.
- Expenses for Public Works decreased by $2,731,754 (12%), due to lower activities in street maintenance.
- Expenses for Culture and Recreation increased by $343,610 (1%), due to increased activities.
- Expenses for Community Development increased by $1,092,306 (21%), due to grant related activities.

The following chart illustrates the relationship between expenses and program revenues for governmental type activities:



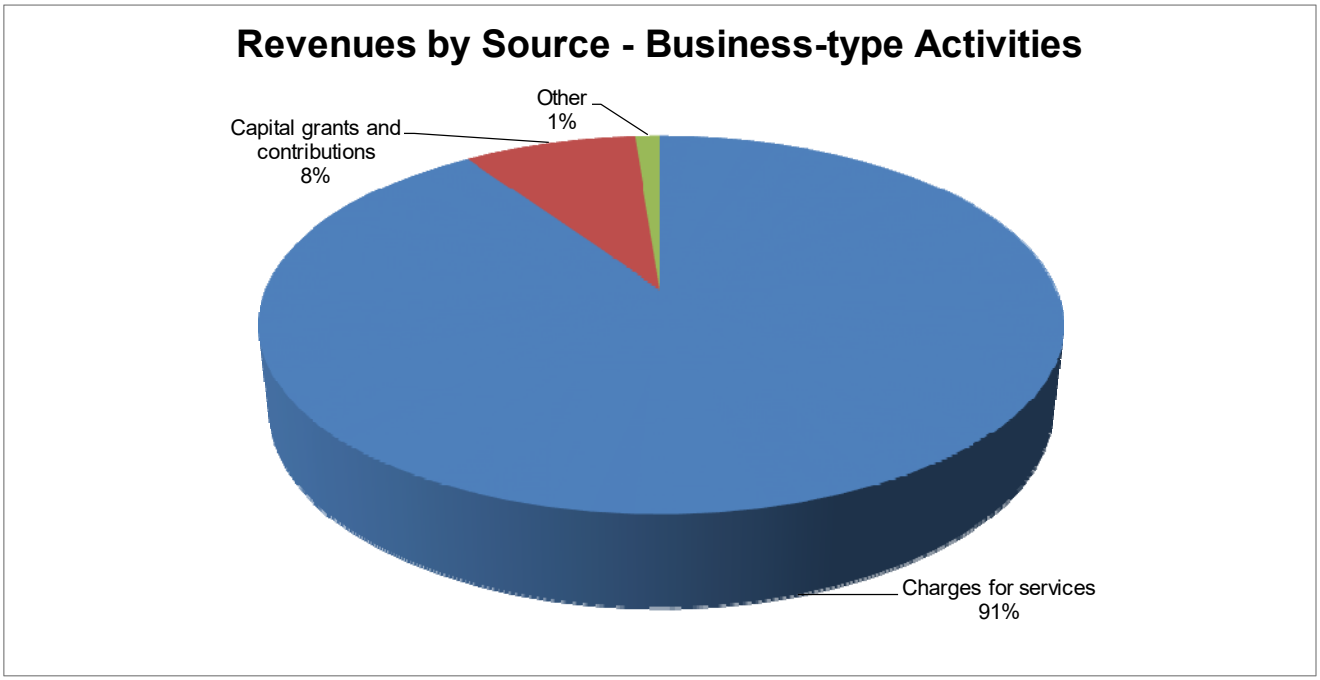
Business-type activities –

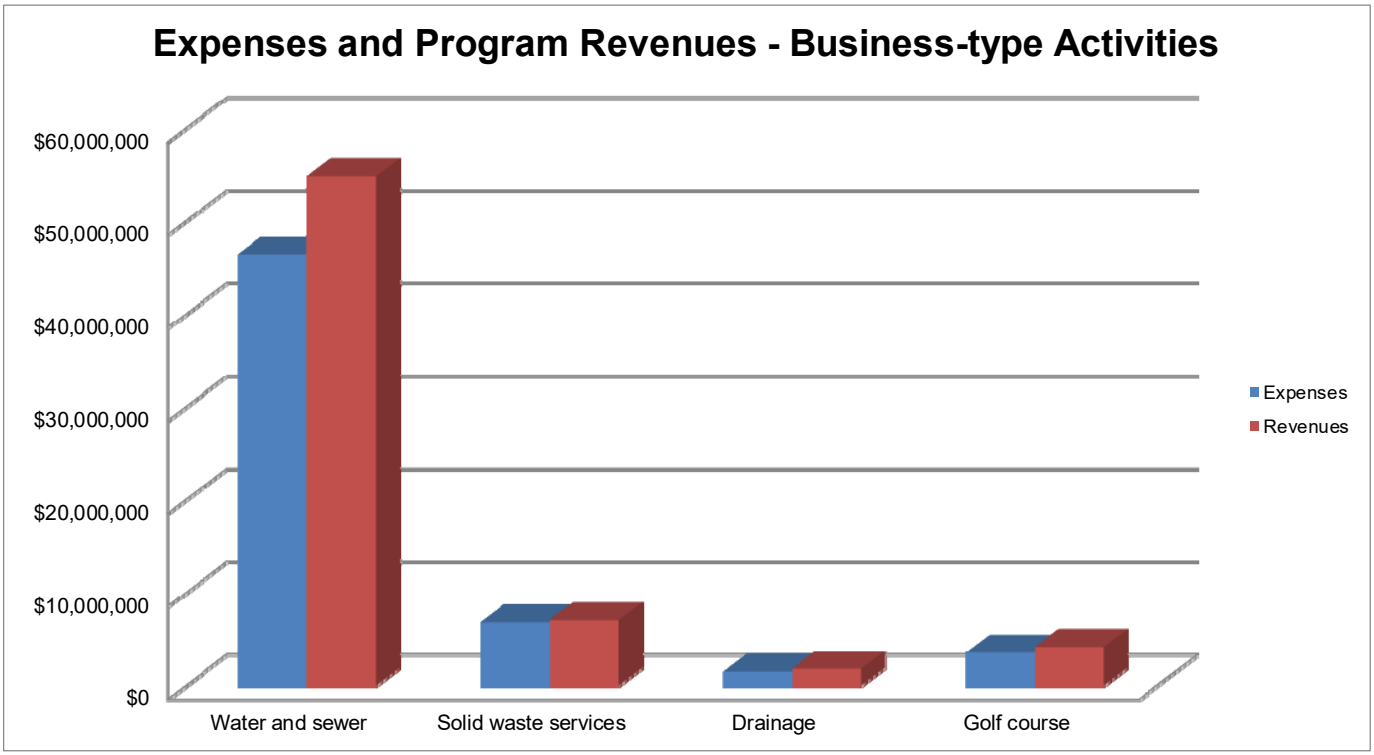
Revenues from business-type activities totaled $68,707,812, a decrease of $3,069,471, or 4%. Major components of the net decrease are as follows:

- Charges for services for business-type activities increased by $221,404 (less than 1%), due to an increase in water and sewer revenues with increased water and sewer rates.
- Capital grants and contributions decreased by $2,637,074 (32%) over the prior year due to lower construction activity.
- Investment earnings decreased by $742,570 (65%) over fiscal 2020 due to lower interest rates and a decrease in the fair market value of investments during fiscal year 2021.

Expenses for business-type activities increased by $1,548,652, or 3%. The increase was due to an increase in cost of services and supplies. The following chart illustrates the relationship between expenses and program revenues for business-type activities:

Revenues – The following chart visually illustrates the City's revenue by sources for business-type activities:





FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental funds

The focus of the City of Allen's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's measure of a government's net resources available for spending at the end of the fiscal year.

At the end of the current fiscal year, the governmental funds reported a combined ending fund balance of $143,575,916, an increase of $35,562,361 or (33%) in comparison with the prior fiscal year. Approximately 19%, or $27,554,966, constitutes unassigned fund balances, which are available for spending at the government's discretion. The remaining fund balances are classified as non-spendable, restricted, or assigned to indicate that they are not available for new spending allocation. The non-spendable portion includes $115,414 related to prepaid items and $31,037 associated with inventories. The restricted portion includes: debt service ($918,379), capital expenditures ($57,534,190), tourism ($2,202,504), asset forfeiture ($143,951), state and federal grants ($261,457), park acquisition and development ($1,745,558), tax increment financing agreements ($7,931,267), court technology ($150,492), juvenile case manager ($6,835), PEG fees ($1,162,109), radio system ($455,114), court security ($12,871), public safety and library enhancements ($443,514), and cemetery trust ($63,627). In addition, $42,842,631 was assigned to capital expenditures.

General Fund. The General Fund is the chief operating fund of the City. As of the end of the current fiscal year, the total unassigned fund balance was $27,554,966, while the total fund balance was $27,764,293. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 27% of total General Fund expenditures.

The original budget included a planned balanced budget with no change in fund balance. However, the General Fund balance increased by $866,147 or 3% during the current fiscal year. This was the result of achieving actual expenditures below budget and reductions in general government expenditures.

Debt Service Fund. The Debt Service Fund balance of $918,379, all of which is restricted for the payment of debt, represents a decrease from the prior year of $940,351 (51%). The City's annual debt service requirements outweighed the higher property valuation.

Capital Projects Fund. The General Capital Projects Fund provides information on cash financed capital projects and had an ending fund balance of $42,843,382 at September 30, 2021, an increase of $8,139,412. Revenues and other financing sources totaled $11,215,800, which includes $1.5M received from Allen Sports Association for S. G. Terrell Community P&R Center, $1,518,075 from other funds to cash finance capital projects, $1,207,470 in roadway impact fees for street improvements, $990,672 received from HHSC for reimbursement of Fire Department ambulances service, and $333,156 in charges for median and streets improvements. Total expenditures and other uses of $3,309,408 consisted primarily of $836,753 for traffic signal installation and improvements, $937,247 for street and alleys improvements and $256,660 for Public Safety hardware and software.

Grants Fund. The Grants Fund accounts for monies received from other governmental agencies that have restricted legal requirements and multi-year budgets and had an ending fund balance of $261,457, a decrease of $20,081 (7%) from the prior year. In fiscal year 2021, the Grants Fund had $1,506,463 remaining from the 2020 advanced funding from the CARES Act related to the COVID-19 pandemic. CARES Act expenditures of $534,970 were recognized as revenue in fiscal year 2021 and the remaining balance of $971,493 was refunded to Collin County. The Grants Fund also received $5,079,935 in advanced funding from the American Rescue Plan Act (ARPA), also related to the COVID-19 pandemic. There were no ARPA expenditures in 2021 and the full balance is recorded as unearned revenue.

General Obligation Bond Fund. The General Obligation Bond Fund had an ending fund balance of $57,534,190, which represents an increase of $25,646,884 (80%) from the prior year. Expenditures totaled $7,651,596, which consisted mainly of $4,099,524 for the S. G. Terrell Community P&R Center, $732,527 for street and alleys improvements, $619,837 for the Central Fire Station remodel, and $271,095 for traffic signals. Other financing sources consisted mainly of issuance of bonds totaling $27,200,000 and the related premium of $6,026,155.

Proprietary funds

The City's proprietary funds provide information like the presentation in the government-wide financial statements, but in more detail. As of September 30, 2021, the unrestricted net position for all enterprise funds were as follows: Water and Sewer, $49,498,101; Solid Waste, $3,484,169; Drainage, $755,243 and Golf Course, $1,693,513. The total change in net position for these funds was an increase of $5,877,593; a decrease of $407,707; a decrease of $73,000; and an increase of $930,759, respectively.

The Water and Sewer Fund had an increase in net position as a result of an increase in water and sewer rates. The Solid Waste Fund had a decrease in net position due to a reduction in garbage collection fees. The Drainage Fund had a decrease in net position due to increased operating expenses and a reduction in gifts and donations. The Golf Course Fund had an increase in net position due to the increase in driving range and green fee revenues.

General Fund Budgetary Highlights

During April and May each year, all accounts are evaluated to determine whether they are in line with the original budgets. Accounts that are under or over budget are revised to meet year-end final estimates. New projects are not added to the year-end estimate; only the cost of maintaining the current base operation is revised as needed. As is customary, during fiscal year ended September 30, 2021, the City Council amended the budget for the General Fund one time.

Adjustments made during fiscal year 2021 increased the original revenue budget by $91,484 and increased the expenditure budget by $423,858. Due to actual expenditures being $1,996,490 less than the revised budget and revenues exceeding the revised budget by $4,882,439, the City was able to increase the unassigned General Fund balance by $728,782, after net transfers. The unassigned fund balance of $27,554,966 is equal to 25%, or 90 days of next year's operating budget.

CAPITAL ASSETS

The City's investment in capital assets for its governmental and business-type activities as of September 30, 2021, was $582,337,285 (net of accumulated depreciation). Investment in capital assets includes land and improvements, buildings, vehicles, machinery and equipment, park land and facilities, roads and bridges. About 78% of the capital assets are governmental and 22% represent business-type activities. There was a decrease of 1% in the investment in capital assets for the current fiscal year.

Table 3
Capital Assets at Year-end, Net of Accumulated Depreciation

	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	$ 156,158,009	$ 154,055,221	$ 4,091,626	$ 4,091,626	$ 160,249,635	$ 158,146,847
Buildings	70,134,557	65,072,458	-	-	70,134,557	65,072,458
Towers, tanks, and pump stations		-	111,587,595	110,837,749	111,587,595	110,837,749
Other Improvements	197,377,984	210,021,866	985,301	330,865	198,363,285	210,352,731
Furniture and fixtures	209,569	265,852	-	-	209,569	265,852
Vehicles	7,197,873	7,903,493	591,232	326,283	7,789,105	8,229,776
Machinery and equipment	2,485,312	3,011,000	915,980	1,220,231	3,401,292	4,231,231
Construction in progress	22,059,753	23,206,266	8,542,494	7,697,699	30,602,247	30,903,965
Total	$ 455,623,057	$ 463,536,156	$126,714,228	$ 124,504,453	$ 582,337,285	$ 588,040,609

The major governmental-type capital improvement projects and developer contributions during the current fiscal year included the following:

Developer Contributed Streets, Alleys, and Rights of Way	$	6,214,462
S G Terrell Community P&R Center		4,150,593
Ridgeview Drive Trail Connections		1,544,580
Fire Station #6		641,833
Street construction:		
Alma/Ridgeview Roadway Improvements	$	850,149
Street and Alley Improvements		573,838
Traffic Signal @ Bethany & Bel-Air		561,073

Business-type capital improvement projects and developer contributions during the current fiscal year include the following:

Developer contributed water mains and sewer lines	$	2,013,893
Windridge 1&2 Water and Sewer Rehabilitation		3,806,951
Sloan Creek Trunk Sewer		1,569,032

Additional information on the City's capital assets can be found in Note 4 of this report.

DEBT ADMINISTRATION

As shown in Table 4, the City's total outstanding debt of the primary government at September 30, 2021, was $190,390,094. Of this total, $154,118,063 (81%) was associated with governmental activities and $36,272,031 (19%) was business-type activities. Total gross bonded debt and a note payable accounted for $156,710,955, which include $82,380,000 of General Obligation (G.O.) bonds and $22,945,000 of Certificates of Obligation backed by the full faith and credit of the primary government; $28,955,000 secured solely by water and sewer revenues; notes payable balance of $3,580,000 and $18,850,955 in net premiums and discounts from bond issuances. Other long-term debt relates to accrued compensated absences, net pension liability, net OPEB liability, and capital leases liability.

Outstanding debts associated with the component units totaled $35,239,494. Out of which, $33,845,000 are secured by future sales tax revenue; $666,522 (notes payable) are secured by land; and $727,972 are premiums and discounts from bond issuances.

During fiscal year 2021, the City issued General Obligation Improvement and Refunding Bonds in the amount of $10,595,000; $22,945,000 of Combination Tax and Revenue Certificates of Obligation, and $10,675,000 in Waterworks and Sewer System Revenue Bonds.

The revenue bond debt for both component units relates to debt issued to support public infrastructure improvements, land acquisition, and construction of the Allen Event Center. The notes payable in the Component Units relate to a loan agreement which Allen Economic Development Corporation entered to finance the purchase of 31 acres of land. Total debt of the Component Units decreased by 4.0%. Total debt for the Allen Economic Development Corporation increased by 2.5%, and for the Allen Community Development Corporation, total debt decreased by 7.3%. During the year, the Allen Economic Development Corporation issued Sales Tax Revenue Bonds in the amount of $2,295,000.

Table 4
Outstanding Debt at Year-end
Bonds and Other Long-Term Liabilities

	Governmental Activities		Business-type Activities		Total Primary Government		Component Units	
	2021	2020	2021	2020	2021	2020	2021	2020
Gross bonded debt								
General obligation bonds	$ 82,380,000	$ 88,395,000	$ -	$ -	$ 82,380,000	$ 88,395,000	$ -	$ -
Certificates of obligation	22,945,000	-	-	-	22,945,000	-	-	-
Revenue bonds payable	-	-	28,955,000	19,450,000	28,955,000	19,450,000	-	-
Premiums and discounts	15,370,849	10,585,840	3,480,106	2,070,599	18,850,955	12,656,439	727,972	860,330
Sales tax revenue bonds	-	-	-	-	-	-	33,845,000	34,540,000
Tax notes	3,580,000	4,920,000	-	-	3,580,000	4,920,000	666,522	1,319,975
Total gross bonded debt	124,275,849	103,900,840	32,435,106	21,520,599	156,710,955	125,421,439	35,239,494	36,720,305
Other long-term debt								
Compensated absences	8,228,298	7,854,230	836,174	787,220	9,064,472	8,641,450	-	-
Net pension liability	19,586,451	22,391,559	2,435,432	2,762,777	22,021,883	25,154,336	-	-
Net OPEB liability	1,924,927	1,559,682	232,784	190,162	2,157,711	1,749,844	-	-
Capital leases	102,538	46,005	332,535	423,155	435,073	469,160	-	-
Total other long-term debt	29,842,214	31,851,476	3,836,925	4,163,314	33,679,139	36,014,790	-	-
Total	$ 154,118,063	$ 135,752,316	$ 36,272,031	$ 25,683,913	$ 190,390,094	$ 161,436,229	$ 35,239,494	$ 36,720,305

The underlying credit ratings from both Moody's Investors Service and Standard and Poor's for the City's General Obligation Bonds, Certificates of Obligation, Waterworks and Sewer System Revenue Bonds, Community Development Corporation's Sales Tax Bonds, and Economic Development Sales Tax Revenue Bonds are shown below in Table 5. Additional information on the City's long-term debt can be found in Note 5 to the basic financial statements.

Table 5
Bond Ratings

	Moody's Investors Service	Standard & Poor's
General Obligation Bonds	Aaa	AAA
Certificates of Obligation	Aaa	AAA
Water & Sewer Revenue Bonds	Aa2	AAA
CDC Sales Tax Revenue Bonds	Aa2	
EDC Sales Tax Revenue Bonds	Aa2	

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Allen, Texas continues to be financially strong. Although the economy is the primary factor, the City's elected and appointed officials considered many factors when setting the fiscal year 2022 budget, tax rates and fees that will be charged for the business-type activities. The priority for fiscal year 2022 continues to be maintaining quality service while observing prudent spending practices.

Highlights of the 2022 budget include:

- Balanced budget, with total revenues equal to or greater than total expenditures
- Property tax rate reduced by 1.5 cents to $0.47 per $100 assessed value
- Total City budget $300.4 million
- General Fund budget $112.1 million
- Sustained funding for equipment and facilities improvements
- Proposed general obligation bonds issues of about $4.9 million, with $3.8 million for streets and drainage and $1 million for the library expansion.
- Additional 11 full-time equivalent (FTE) positions (9 in General Fund and 2 in Water & Sewer)

The property tax rate for fiscal year 2022 decreased from $0.485 to $0.47 per $100 assessed value. For fiscal year 2022, the water rates increased 6% and wastewater (sewer) rates increased 8%, due to increased cost of service from the North Texas Municipal Water District (NTMWD). There were no changes to the solid waste or drainage rates.

Request for Information

The financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the City's finances. If you have questions about this report or need any additional information, please contact the Finance Department at 305 Century Parkway, Allen, Texas, 75013, or call (214) 509-4626.

Basic Financial Statements

CITY OF ALLEN

City of Allen, Texas **Exhibit 1**

Statement of Net Position
September 30, 2021

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and cash equivalents	$ 74,853,500	$ 40,538,012	$ 115,391,512	$ 15,324,331
Investments	110,044,741	28,806,303	138,851,044	23,684,021
Receivables (net of allowance for uncollectibles)	9,972,403	9,270,140	19,242,543	4,445,032
Internal balances	(1,459,273)	1,459,273	-	-
Prepaid items and other assets	699,299	956,310	1,655,609	-
Net OPEB asset	880,073	-	880,073	-
Inventories	31,037	90,598	121,635	-
Restricted cash and cash equivalents	-	2,647,082	2,647,082	-
Capital assets:				
Non-depreciable	178,217,761	12,634,120	190,851,881	23,255,666
Depreciable (net of depreciation)	277,405,296	114,080,108	391,485,404	43,228,080
TOTAL ASSETS	650,644,837	210,481,946	861,126,783	109,937,130
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	16,221	47,698	63,919	645,523
Deferred outflows of resources - OPEB	573,031	70,791	643,822	-
Deferred outflows of resources - pension	12,849,710	1,546,277	14,395,987	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	13,438,962	1,664,766	15,103,728	645,523
LIABILITIES				
Accounts payable	4,944,645	1,165,303	6,109,948	265,428
Accrued liabilities	6,689,078	448,869	7,137,947	623,421
Accrued interest payable	545,673	327,319	872,992	89,178
Customer deposits	-	1,186,807	1,186,807	-
Unearned revenue	9,089,673	-	9,089,673	-
Retainage payable	248,588	238,414	487,002	77,122
Non-current liabilities:				
Due within one year	20,226,439	2,465,754	22,692,193	3,858,880
Due in more than one year	133,891,624	33,806,277	167,697,901	31,380,614
TOTAL LIABILITIES	175,635,720	39,638,743	215,274,463	36,294,643
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows of resources - OPEB	461,741	39,074	500,815	-
Deferred inflows of resources - pension	11,862,554	1,417,277	13,279,831	-
TOTAL DEFERRED INFLOWS OF RESOURCES	12,324,295	1,456,351	13,780,646	-
NET POSITION				
Net investment in capital assets	388,795,081	113,396,556	502,191,637	41,701,277
Restricted for:				
Debt service	409,634	764,763	1,174,397	852,566
Tourism	2,202,504	-	2,202,504	-
Park acquisition and development	1,745,558	-	1,745,558	-
State and federal grants	143,951	-	143,951	-
Tax increment financing	7,931,267	-	7,931,267	-
Other purposes	2,374,886	-	2,374,886	-
Unrestricted	72,520,903	56,890,299	129,411,202	31,734,167
TOTAL NET POSITION	$ 476,123,784	$ 171,051,618	$ 647,175,402	$ 74,288,010

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas
Statement of Activities
For the Year Ended September 30, 2021

Functions/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
PRIMARY GOVERNMENT:				
Governmental activities:				
General government	$ 22,940,360	$ 598,846	$ 572,279	$ -
Public safety	49,532,988	2,063,311	99,021	-
Public works	19,661,514	587,112	-	4,740,701
Culture and recreation	29,359,242	4,649,476	1,875,266	17,692
Community development	6,330,539	4,024,897	2,328,177	3,776,805
Interest on long-term debt	3,103,192	-	-	-
Total governmental activities	130,927,835	11,923,642	4,874,743	8,535,198
Business-type activities:				
Water and sewer	46,442,937	49,099,338	-	5,695,888
Solid waste	6,824,441	7,039,328	-	-
Drainage	1,497,014	1,826,950	-	-
Golf course	3,557,076	4,196,161	-	-
Total business-type activities	58,321,468	62,161,777	-	5,695,888
TOTAL PRIMARY GOVERNMENT	$ 189,249,303	$ 74,085,419	$ 4,874,743	$ 14,231,086
COMPONENT UNITS:				
Allen Economic Development Corporation	$ 8,210,690	$ -	$ -	$ -
Allen Community Development Corporation	5,905,398	-	-	-
TOTAL COMPONENT UNITS	$ 14,116,088	$ -	$ -	$ -

General revenues:	
Taxes:	
Property taxes	
Sales taxes	
Franchise taxes	
Hotel motel taxes	
Other taxes	
Investment earnings	
Gain on sale of assets	
Miscellaneous	
Transfers	
Total general revenues and transfers	
CHANGE IN NET POSITION	
NET POSITION, beginning of year	
NET POSITION, end of year	

The Notes to Financial Statements are an integral part of this statement.

Exhibit 2

Net (Expense) Revenue and Changes in Net Position			
Primary Government			
Governmental Activities	Business - Type Activities	TOTAL	COMPONENT UNITS
$ (21,769,235)	$ -	$ (21,769,235)	$ -
(47,370,656)	-	(47,370,656)	-
(14,333,701)	-	(14,333,701)	-
(22,816,808)	-	(22,816,808)	-
3,799,340	-	3,799,340	-
(3,103,192)	-	(3,103,192)	-
(105,594,252)	-	(105,594,252)	-
-	8,352,289	8,352,289	-
-	214,887	214,887	-
-	329,936	329,936	-
-	639,085	639,085	-
-	9,536,197	9,536,197	-
$ (105,594,252)	$ 9,536,197	$ (96,058,055)	$ -
$ -	$ -	$ -	$ (8,210,690)
-	-	-	(5,905,398)
$ -	$ -	$ -	$ (14,116,088)
$ 71,946,802	$ -	$ 71,946,802	$ -
25,599,945	-	25,599,945	25,134,082
6,821,738	-	6,821,738	-
1,337,147	-	1,337,147	-
1,171,378	-	1,171,378	-
1,118,970	398,387	1,517,357	352,696
322,084	7,585	329,669	-
5,311,149	444,175	5,755,324	24,629
4,007,336	(4,007,336)	-	-
117,636,549	(3,157,189)	114,479,360	25,511,407
12,042,297	6,379,008	18,421,305	11,395,319
464,081,487	164,672,610	628,754,097	62,892,691
$ 476,123,784	$ 171,051,618	$ 647,175,402	$ 74,288,010

City of Allen, Texas
Balance Sheet
Governmental Funds
September 30, 2021

	General	Debt Service	General Capital Projects
ASSETS			
Cash and cash equivalents	$ 10,888,168	$ 585,253	$ 17,102,905
Investments	19,512,877	338,162	25,167,714
Receivables, net of allowances for uncollectibles:			
Ad valorem taxes	156,423	36,928	-
Sales taxes	4,423,158	-	-
Accounts receivable	-	-	-
Accrued interest	79,358	1,375	102,356
Other	3,157,602	-	1,296,779
Inventories	31,037	-	-
Prepaid items	114,663	-	751
TOTAL ASSETS	$ 38,363,286	$ 961,718	$ 43,670,505
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts payable	$ 2,032,812	6,411	$ 196,865
Accrued liabilities	5,262,181	-	323,967
Unearned revenue	2,471,766	-	-
Retainage payable	-	-	185
TOTAL LIABILITIES	9,766,759	6,411	521,017
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - property taxes	156,423	36,928	-
Unavailable revenue - charges for services	614,724	-	-
Unavailable revenue - miscellaneous	7,608	-	306,106
Unavailable revenue - interest	13,739	-	-
Unavailable revenue - fines	39,740	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	832,234	36,928	306,106
FUND BALANCES			
Nonspendable			
Prepaid items	114,663	-	751
Inventories	31,037	-	-
Restricted			
Debt service	-	918,379	-
Capital expenditures	-	-	-
Tourism	-	-	-
Asset forfeiture	-	-	-
State and federal grants	-	-	-
Park acquisition and development	-	-	-
Tax increment financing agreement	-	-	-
Court technology	-	-	-
Juvenile case manager	-	-	-
PEG fees	-	-	-
Radio system	-	-	-
Court security	-	-	-
Public safety and library enhancements	-	-	-
Cemetery trust	63,627	-	-
Assigned			
Capital expenditures	-	-	42,842,631
Unassigned	27,554,966	-	-
TOTAL FUND BALANCES	27,764,293	918,379	42,843,382
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 38,363,286	$ 961,718	$ 43,670,505

The Notes to Financial Statements are an integral part of this statement.

Exhibit 3

Grants	General Obligation Bond	Other Governmental Funds	Total Governmental Funds
$ 6,120,470	$ 22,708,657	$ 5,406,472	$ 62,811,925
-	37,164,253	8,780,744	90,963,750
-	-	-	193,351
-	-	-	4,423,158
267,475	-	155,976	423,451
-	151,146	35,711	369,946
-	-	-	4,454,381
-	-	-	31,037
583,885	-	-	699,299
$ 6,971,830	$ 60,024,056	$ 14,378,903	$ 164,370,298
$ 92,054	$ 2,254,845	$ 87,746	$ 4,670,733
-	-	36,134	5,622,282
6,618,319	-	-	9,090,085
-	235,021	-	235,206
6,710,373	2,489,866	123,880	19,618,306
-	-	-	193,351
-	-	-	614,724
-	-	-	313,714
-	-	808	14,547
-	-	-	39,740
-	-	808	1,176,076
-	-	-	115,414
-	-	-	31,037
-	-	-	918,379
-	57,534,190	-	57,534,190
-	-	2,202,504	2,202,504
-	-	143,951	143,951
261,457	-	-	261,457
-	-	1,745,558	1,745,558
-	-	7,931,267	7,931,267
-	-	150,492	150,492
-	-	6,835	6,835
-	-	1,162,109	1,162,109
-	-	455,114	455,114
-	-	12,871	12,871
-	-	443,514	443,514
-	-	-	63,627
-	-	-	42,842,631
-	-	-	27,554,966
261,457	57,534,190	14,254,215	143,575,916
$ 6,971,830	$ 60,024,056	$ 14,378,903	$ 164,370,298

City of Allen, Texas **Exhibit 4**

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
September 30, 2021

Total fund balance of governmental funds balance sheet			$ 143,575,916
Amounts reported for governmental activities in the statement of net position are different because:			
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet.			455,623,057
Funds comprising the net OPEB asset are not current financial resources and therefore are not reported in the governmental funds balance sheet.			880,073
The following deferred outflows of resources and deferred inflows of resources are not reported in governmental funds:			
Deferred charges on refunding	$ 16,221		
Deferred outflows of resources - OPEB	573,031		
Deferred outflows of resources - pension	12,849,710		
Deferred inflows of resources - OPEB	(461,741)		
Deferred inflows of resources - pension	(11,862,554)		1,114,667
Interest payable on long-term debt does not require current financial resources, therefore interest payable is not reported as a liability on the governmental funds balance sheet.			(545,673)
Internal service funds are used by management to charge the cost of certain activities, such as insurance and fleet management, to individual funds. The assets and liabilities of the internal service funds ($37,801,002) are net of the amount allocated to business-type activities ($1,459,273) and to capital assets ($7,923,998).			28,417,731
Revenues earned but not available within sixty days of the year end are not recognized as revenue on the fund financial statements.			1,176,076
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.			
Long-term liabilities consist of:			
General obligation bonds	$ (82,380,000)		
Certificates of obligation	(22,945,000)		
Tax notes	(3,580,000)		
Capital lease payable	(102,538)		
Premiums/discounts	(15,370,849)		
Compensated absences	(8,228,298)		
Net OPEB liability	(1,924,927)		
Net pension liability	(19,586,451)		(154,118,063)
Net position of governmental activities			$ 476,123,784

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN

City of Allen, Texas

Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2021

	General	Debt Service	General Capital Projects
REVENUES			
Ad valorem taxes, penalties and interest	$ 56,379,891	$ 13,629,728	$ -
Municipal sales tax	25,344,374	-	-
Franchise taxes	6,669,763	-	-
Licenses, permits and fees	3,805,840	-	-
Charges for services	6,521,194	-	1,540,626
Fines	1,076,468	-	-
Gifts and contributions	1,180,503	115,675	-
Hotel / motel fees	-	-	-
Intergovernmental	4,181,326	-	2,205,061
Investment earnings	86,598	10,144	311,460
Miscellaneous	2,323,395	-	2,328,649
Total revenues	107,569,352	13,755,547	6,385,796
EXPENDITURES			
Current			
General government	20,744,905	-	199,923
Public safety	49,836,540	-	-
Public works	6,664,683	-	1,130,483
Culture and recreation	23,950,848	-	192,044
Community development	3,590,155	-	-
Capital outlay	250,793	-	1,553,938
Debt service:			
Principal retirement	-	11,049,141	-
Interest and fiscal charges	-	3,737,148	-
Total expenditures	105,037,924	14,786,289	3,076,388
Excess (deficiency) of revenues over (under) expenditures	2,531,428	(1,030,742)	3,309,408
OTHER FINANCING SOURCES (USES)			
Issuance of refunding bonds	-	6,340,000	-
Issuance of bonds	-	-	-
Premium on bonds issued	-	855,617	-
Payment to refunded bond escrow agent	-	(7,105,226)	-
Capital lease obligations	100,674	-	-
Transfers in	5,119,962	-	5,060,083
Transfers out	(6,909,368)	-	(230,079)
Proceeds from sale of capital assets	23,451	-	-
Total other financing sources (uses)	(1,665,281)	90,391	4,830,004
NET CHANGE IN FUND BALANCES	866,147	(940,351)	8,139,412
FUND BALANCES, BEGINNING OF YEAR	26,898,146	1,858,730	34,703,970
FUND BALANCES, END OF YEAR	$ 27,764,293	$ 918,379	$ 42,843,382

The Notes to Financial Statements are an integral part of this statement.

Exhibit 5

Grants	General Obligation Bond	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 1,816,066	$ 71,825,685
-	-	255,571	25,599,945
-	-	151,975	6,821,738
-	-	703,695	4,509,535
-	-	-	8,061,820
-	-	94,910	1,171,378
-	-	-	1,296,178
-	-	1,337,147	1,337,147
2,935,303	-	185,256	9,506,946
-	354,811	114,711	877,724
-	-	73,367	4,725,411
2,935,303	354,811	4,732,698	135,733,507
-	334,267	943,546	22,222,641
19,091	-	73,143	49,928,774
2,843,298	791,578	-	11,430,042
30,789	2,905	1,707,066	25,883,652
-	-	-	3,590,155
62,206	6,522,846	93,869	8,483,652
-	-	-	11,049,141
-	-	-	3,737,148
2,955,384	7,651,596	2,817,624	136,325,205
(20,081)	(7,296,785)	1,915,074	(591,698)
-	-	-	6,340,000
-	27,200,000	-	27,200,000
-	6,026,155	-	6,881,772
-	-	-	(7,105,226)
-	-	-	100,674
-	-	-	10,180,045
-	(282,486)	(59,288)	(7,481,221)
-	-	14,564	38,015
-	32,943,669	(44,724)	36,154,059
(20,081)	25,646,884	1,870,350	35,562,361
281,538	31,887,306	12,383,865	108,013,555
$ 261,457	$ 57,534,190	$ 14,254,215	$ 143,575,916

City of Allen, Texas **Exhibit 6**

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
Year Ended September 30, 2021

Net change in fund balances - total governmental funds		$ 35,562,361
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount of capital assets recorded in the current period.		8,483,652
Governmental funds do not recognize contributed capital assets. However, in the statement of activities the acquisition value of those assets is recognized as revenue, then allocated over their estimated useful lives and reported as depreciation expense.		6,214,464
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Therefore, depreciation expense is not reported as expenditures in the governmental funds.		(21,563,601)
Current year changes in the net other post employment benefit asset are not current financial resources and therefore are not reported in the governmental funds.		47,612
The proceeds from issuance of long-term debt provides current financial resources to governmental funds, while the payment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements:		
Refunding bonds issued	(6,340,000)	
Bonds issued	(27,200,000)	
Premium on bonds issued	(6,881,772)	
Principal amount of bonds refunded	6,945,000	
Issuance of capital lease	(100,674)	
Bond and capital lease principal retirement	11,049,141	
Amortization of bond premiums	2,096,763	
Deferred charges on refunding changes	(875,586)	(21,307,128)
Current year changes for compensated absences, net pension liability, net OPEB liability, deferred inflows/outflows related to pensions, and OPEB do not require the use of current financial resources and, therefore, are not reported in governmental funds.		1,708,441
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(52,918)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet management, to individual funds. The net operating and non-operating income and transfers of the internal service funds is reported with governmental activities net of amounts allocated to business-type activities.		2,331,442
Certain revenues in the government-wide statement of activities that do not provide current financial resources are not reported as revenue in the governmental funds.		617,972
Change in net position of governmental activities		$ 12,042,297

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas

Exhibit 7

Statement of Net Position
Proprietary Funds
September 30, 2021

	Business-type Activities Enterprise Funds					Governmental Activities
	Water and Sewer	Solid Waste	Drainage	Golf Course	Total	Internal Service Funds
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents	$ 36,381,228	$ 1,217,741	$ 305,904	$ 2,633,139	$ 40,538,012	$ 12,041,575
Investments	26,312,787	1,992,908	500,608	-	28,806,303	19,080,991
Receivables, net of allowance for uncollectibles:						
Accounts	7,946,101	802,372	241,618	-	8,990,091	30,514
Accrued interest	107,013	8,105	2,036	-	117,154	77,602
Other	7,942	130,693	292	23,968	162,895	-
Inventories	90,598	-	-	-	90,598	-
Prepaid items	956,310	-	-	-	956,310	-
Restricted cash and cash equivalents	2,647,082	-	-	-	2,647,082	-
Total current assets	74,449,061	4,151,819	1,050,458	2,657,107	82,308,445	31,230,682
NONCURRENT ASSETS						
CAPITAL ASSETS						
Land	4,091,626	-	-	-	4,091,626	-
Construction in progress	8,542,494	-	-	-	8,542,494	-
Other improvements	-	-	1,230,546	-	1,230,546	-
Towers, tanks, and pump stations	222,547,151	-	-	-	222,547,151	-
Vehicles	850,418	140,440	151,554	-	1,142,412	18,261,748
Machinery and equipment	3,314,105	-	593,962	1,552,587	5,460,654	5,801,606
Total capital assets	239,345,794	140,440	1,976,062	1,552,587	243,014,883	24,063,354
Less: accumulated depreciation	(114,172,517)	(77,242)	(816,066)	(1,234,830)	(116,300,655)	(16,139,356)
Capital assets, net of accumulated depreciation	125,173,277	63,198	1,159,996	317,757	126,714,228	7,923,998
Total noncurrent assets	125,173,277	63,198	1,159,996	317,757	126,714,228	7,923,998
TOTAL ASSETS	199,622,338	4,215,017	2,210,454	2,974,864	209,022,673	39,154,680
DEFERRED OUTFLOWS OF RESOURCES						
Deferred charges on refunding	47,698	-	-	-	47,698	-
Deferred outflows of resources - OPEB	45,712	5,894	5,676	13,509	70,791	-
Deferred outflows of resources - pension	1,009,975	122,992	114,298	299,012	1,546,277	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	1,103,385	128,886	119,974	312,521	1,664,766	-
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION						
CURRENT LIABILITIES						
Accounts payable	721,512	266,163	46,506	131,122	1,165,303	286,882
Accrued liabilities	249,376	88,462	29,343	81,688	448,869	74
Retainage payable	238,414	-	-	-	238,414	-
Accrued compensated absences - current	365,655	38,457	31,879	99,119	535,110	-
Incurred but not reported claims	-	-	-	-	-	1,066,722
Payable from restricted assets:						
Revenue bonds payable - current	1,771,079	-	-	-	1,771,079	-
Capital leases payable - current	-	-	-	159,565	159,565	-
Accrued interest payable	327,319	-	-	-	327,319	-
Customer deposits payable	1,138,382	-	-	48,425	1,186,807	-
Total current liabilities	4,811,737	393,082	107,728	519,919	5,832,466	1,353,678
NONCURRENT LIABILITIES						
Revenue bonds payable	30,664,026	-	-	-	30,664,026	-
Capital leases payable	-	-	-	172,971	172,971	-
Net OPEB liability	150,161	18,877	17,908	45,838	232,784	-
Net pension liability	1,628,709	180,721	158,000	468,002	2,435,432	-
Accrued compensated absences	80,148	79,569	13,602	127,745	301,064	-
Total noncurrent liabilities	32,523,044	279,167	189,510	814,556	33,806,277	-
TOTAL LIABILITIES	37,334,781	672,249	297,238	1,334,475	39,638,743	1,353,678
DEFERRED INFLOWS OF RESOURCES						
Deferred inflows of resources - pension	914,724	121,092	114,818	266,643	1,417,277	-
Deferred inflows of resources - OPEB	25,213	3,195	3,133	7,533	39,074	-
TOTAL DEFERRED INFLOWS OF RESOURCES	939,937	124,287	117,951	274,176	1,456,351	-
NET POSITION						
Net investment in capital assets	112,188,141	63,198	1,159,996	(14,779)	113,396,556	7,923,998
Restricted for revenue bond principal and interest	764,763	-	-	-	764,763	-
Unrestricted	49,498,101	3,484,169	755,243	1,693,513	55,431,026	29,877,004
TOTAL NET POSITION	$ 162,451,005	$ 3,547,367	$ 1,915,239	$ 1,678,734	$ 169,592,345	$ 37,801,002

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 8**

Reconciliation of the Statement of Net Position
of Proprietary Funds to the
Government – Wide Statement of Net Position
September 30, 2021

Amounts reported for business-type activities in the statement of net position are different because:	
Total net position per statement of net position	$ 169,592,345
Internal service funds are used by management to charge the costs of replacing machinery and equipment, fleet management, workers compensation, property liability loss, medical and dental insurance, and health claims to individual funds.	
The assets and liabilities of internal service funds are included in the governmental activities in the government-wide statement of net position. The amount shown represents the net receivable from internal service funds allocated to business-type activities since the adoption of GASB 34.	1,459,273
Total net position of business-type activities	$ 171,051,618

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 9**

Statement of Revenues, Expenses
and Changes in Net Position
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer	Solid Waste	Drainage	Golf Course	Total	
OPERATING REVENUES						
Charges for sales and services:						
Water sales	$ 27,232,314	$ -	$ -	$ -	$ 27,232,314	$ -
Sewer charges	21,328,641	-	-	-	21,328,641	-
Connection fees	121,711	-	-	-	121,711	-
Garbage collections	-	7,039,328	-	-	7,039,328	-
Service charges	416,672	-	30,669	4,196,161	4,643,502	16,833,271
Drainage fees	-	-	1,796,281	-	1,796,281	-
Gifts and contributions	-	-	-	-	-	-
Miscellaneous	339,207	38,802	1,806	64,360	444,175	969,966
Total operating revenues	49,438,545	7,078,130	1,828,756	4,260,521	62,605,952	17,803,237
OPERATING EXPENSES						
Personnel services	5,708,292	746,596	685,792	1,726,493	8,867,173	455,630
Contractual services	32,096,535	5,988,762	199,304	1,174,208	39,458,809	13,014,843
Maintenance	769,930	3,442	246,480	246,106	1,265,958	1,292,127
Supplies	485,530	22,825	104,915	225,116	838,386	8,410
Depreciation	6,061,133	14,044	79,943	163,059	6,318,179	2,492,198
Other	587,657	48,772	180,580	22,094	839,103	-
Total operating expenses	45,709,077	6,824,441	1,497,014	3,557,076	57,587,608	17,263,208
OPERATING INCOME	3,729,468	253,689	331,742	703,445	5,018,344	540,029
NON-OPERATING REVENUES (EXPENSES)						
Investment earnings	367,021	24,591	6,775	-	398,387	247,104
Interest expense	(785,223)	-	-	-	(785,223)	-
Gain on disposal of capital assets	5,411	-	2,174	-	7,585	287,160
Total non-operating revenues (expenses)	(412,791)	24,591	8,949	-	(379,251)	534,264
INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS	3,316,677	278,280	340,691	703,445	4,639,093	1,074,293
CAPITAL CONTRIBUTIONS AND TRANSFERS						
Development fees	3,681,995	-	-	-	3,681,995	-
Capital contributions	2,013,893	-	-	-	2,013,893	-
Transfers in	2,316,189	-	-	227,314	2,543,503	1,308,512
Transfers out	(5,451,161)	(685,987)	(413,691)	-	(6,550,839)	-
Total capital contributions and transfers	2,560,916	(685,987)	(413,691)	227,314	1,688,552	1,308,512
CHANGE IN NET POSITION	5,877,593	(407,707)	(73,000)	930,759	6,327,645	2,382,805
NET POSITION, BEGINNING OF YEAR	156,573,412	3,955,074	1,988,239	747,975	163,264,700	35,418,197
NET POSITION, END OF YEAR	$ 162,451,005	$ 3,547,367	$ 1,915,239	$ 1,678,734	$ 169,592,345	$ 37,801,002

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 10**

Reconciliation of the Statement of Revenues, Expenses,
and Changes in Net Position of Proprietary Funds
to the Statement of Activities
For the Year Ended September 30, 2021

Amounts reported for business-type activities in the statement of activities are different because:	
Net change in fund net position- total proprietary funds	$ 6,327,645
Internal service funds are used by management to charge the costs of replacing machinery and equipment, fleet management, workers compensation, property liability loss, medical and dental insurance, and health claims to individual funds. The net expenses of certain activities of internal service funds is allocated to business-type activities.	51,363
Change in net position of business-type activities	$ 6,379,008

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas

Exhibit 11

Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2021

	Business-type Activities Enterprise Funds					Governmental Activities Internal Service Funds
	Water and Sewer	Solid Waste	Drainage	Golf Course	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash received from customers	$ 49,630,244	$ 7,128,527	$ 1,828,464	$ 4,261,588	$ 62,848,823	$ -
Cash received from transactions with other funds	-	-	-	-	-	17,305,433
Cash paid to employees for services	(5,752,145)	(732,909)	(685,160)	(1,714,286)	(8,884,500)	(442,414)
Cash paid for goods and services	(34,149,260)	(5,740,696)	(712,912)	(1,676,649)	(42,279,517)	(5,507,087)
Cash paid for claims	-	-	-	-	-	(8,420,561)
Net cash provided by operating activities	9,728,839	654,922	430,392	870,653	11,684,806	2,935,371
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Transfers in from other funds	2,316,189	-	-	227,314	2,543,503	1,308,512
Transfers out to other funds	(5,451,161)	(685,987)	(413,691)	-	(6,550,839)	-
Net cash provided by (used in) non-capital financing activities	(3,134,972)	(685,987)	(413,691)	227,314	(4,007,336)	1,308,512
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Principal paid on revenue bond maturities	(1,170,000)	-	-	-	(1,170,000)	-
Interest and fees paid on long-term debt	(864,011)	-	-	-	(864,011)	-
Acquisition and construction of capital assets	(6,459,609)	-	-	(54,452)	(6,514,061)	(1,469,382)
Proceeds from sale of capital assets	5,411	-	2,174	-	7,585	311,959
Capital lease payments	-	-	-	(90,619)	(90,619)	-
Proceeds from debt issuance	12,300,584	-	-	-	12,300,584	-
Contributions from developers	3,681,995	-	-	-	3,681,995	-
Net cash provided by (used in) capital and related financing activities	7,494,370	-	2,174	(145,071)	7,351,473	(1,157,423)
CASH FLOWS FROM INVESTING ACTIVITIES						
Sale of investment securities	(2,743,571)	(415,791)	(105,950)	-	(3,265,312)	(4,079,391)
Interest on investments	396,662	28,433	8,323	-	433,418	266,920
Net cash used in investing activities	(2,346,909)	(387,358)	(97,627)	-	(2,831,894)	(3,812,471)
NET CHANGE IN CASH AND CASH EQUIVALENTS	11,741,328	(418,423)	(78,752)	952,896	12,197,049	(726,011)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	27,286,982	1,636,164	384,656	1,680,243	30,988,045	12,767,586
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 39,028,310	$ 1,217,741	$ 305,904	$ 2,633,139	$ 43,185,094	$ 12,041,575
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES						
Net operating income	$ 3,729,468	$ 253,689	$ 331,742	$ 703,445	$ 5,018,344	$ 540,029
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation and amortization expense	6,061,133	14,044	79,943	163,059	6,318,179	2,492,198
Change in assets and liabilities:						
Accounts receivable	852,364	149,820	42,466	-	1,044,650	(7,573)
Other receivables	(5,378)	50,397	(292)	(11,055)	33,672	-
Prepaids	(956,310)	-	-	-	(956,310)	251,600
Inventories	(16,670)	-	-	-	(16,670)	-
Deferred outflows - pension	(438,386)	(56,490)	(52,434)	(127,613)	(674,923)	-
Deferred outflows - OPEB	(14,013)	(1,795)	(1,672)	(4,086)	(21,566)	-
Accounts payable	(318,521)	142,566	(24,099)	(10,581)	(210,635)	(340,883)
Retainage payable	238,414	-	-	-	238,414	-
Accrued liabilities	101,824	45,497	15,091	39,770	202,182	-
Net OPEB liability	27,694	3,548	3,304	8,076	42,622	-
Net pension liability	(212,622)	(27,398)	(25,431)	(61,894)	(327,345)	-
Compensated absences	4,682	19,440	4,592	20,241	48,955	-
Deposits	197,077	-	-	12,122	209,199	-
Deferred inflows - pension	476,367	61,384	56,977	138,669	733,397	-
Deferred inflows - OPEB	1,716	220	205	500	2,641	-
Total adjustments	5,999,371	401,233	98,650	167,208	6,666,462	2,395,342
Net cash provided by operating activities	$ 9,728,839	$ 654,922	$ 430,392	$ 870,653	$ 11,684,806	$ 2,935,371
NON-CASH INVESTING ACTIVITIES:						
Change in the fair value of investments	$ (297,140)	$ (22,783)	$ 13,409	$ -	$ (306,514)	$ (216,244)
NON-CASH FINANCING ACTIVITIES:						
Contributions of capital assets from developers	$ 2,013,893	$ -	$ -	$ -	$ 2,013,893	$ -
Reconciliation of total cash to the statement of net position						
Cash and cash equivalents - current	$ 36,381,228	$ 1,217,741	$ 305,904	$ 2,633,139	$ 40,538,012	$ 12,041,575
Restricted cash and cash equivalents	2,647,082	-	-	-	2,647,082	-
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 39,028,310	$ 1,217,741	$ 305,904	$ 2,633,139	$ 43,185,094	$ 12,041,575

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 12**

Statement of Fiduciary Net Position
Fiduciary Fund
September 30, 2021

	Other Postemployment Benefits Trust Fund
ASSETS	
CURRENT ASSETS	
Cash and deposits	$ 13,535
Investments:	
Domestic Equities	314,779
Fixed Income	912,713
Private Equity	85,228
Real Estate	13,803
Total current assets	1,340,058
TOTAL ASSETS	1,340,058
NET POSITION	
Restricted for postemployment benefits other than pensions	1,340,058
TOTAL NET POSITION	$ 1,340,058

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 13**

Statement of Changes in Fiduciary Net Position
Fiduciary Fund
For the Year Ended September 30, 2021

	Other Postemployment Benefits Trust Fund
ADDITIONS	
Investment Income:	
Net increase in fair value of investments	$ 116,827
Net Investment Income	116,827
TOTAL ADDITIONS	116,827
DEDUCTIONS	
Benefit payments	222,665
Administrative expense	8,523
TOTAL DEDUCTIONS	231,188
CHANGE IN NET POSITION	(114,361)
NET POSITION, BEGINNING OF YEAR	1,454,419
NET POSITION, END OF YEAR	$ 1,340,058

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 14**

Statement of Net Position
Component Units
September 30, 2021

	Allen Economic Development Corporation	Allen Community Development Corporation	Totals
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	$ 5,664,150	$ 9,660,181	$ 15,324,331
Investments	8,214,700	15,469,321	23,684,021
Sales tax receivable	2,174,355	2,174,355	4,348,710
Accrued interest receivable	33,409	62,913	96,322
Total current assets	16,086,614	27,366,770	43,453,384
NONCURRENT ASSETS			
CAPITAL ASSETS			
Land	18,799,062	2,239,201	21,038,263
Construction in progress	-	2,217,403	2,217,403
Buildings	1,004,091	36,225,091	37,229,182
Machinery & equipment	-	3,099,175	3,099,175
Vehicles	-	783,228	783,228
Improvements other than buildings	-	38,207,511	38,207,511
Total capital assets	19,803,153	82,771,609	102,574,762
Less: accumulated depreciation	(125,512)	(35,965,504)	(36,091,016)
Capital assets, net of accumulated depreciation	19,677,641	46,806,105	66,483,746
Total noncurrent assets	19,677,641	46,806,105	66,483,746
TOTAL ASSETS	35,764,255	74,172,875	109,937,130
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charges on refunding	321,470	324,053	645,523
TOTAL DEFERRED OUTFLOWS OF RESOURCES	321,470	324,053	645,523
LIABILITIES AND NET POSITION			
CURRENT LIABILITIES			
Accounts payable	67,670	197,758	265,428
Retainage payable	-	77,122	77,122
Accrued interest payable	39,533	49,645	89,178
Accrued and other liabilities	623,421	-	623,421
Current portion of long-term debt	2,043,880	1,815,000	3,858,880
Total current liabilities	2,774,504	2,139,525	4,914,029
NONCURRENT LIABILITIES			
Noncurrent portion of long-term debt	10,665,614	20,715,000	31,380,614
Total noncurrent liabilities	10,665,614	20,715,000	31,380,614
TOTAL LIABILITIES	13,440,118	22,854,525	36,294,643
NET POSITION			
Net investment in capital assets	17,101,119	24,600,158	41,701,277
Restricted for debt service	644,683	207,883	852,566
Unrestricted	4,899,805	26,834,362	31,734,167
TOTAL NET POSITION	$ 22,645,607	$ 51,642,403	$ 74,288,010

The Notes to Financial Statements are an integral part of this statement.

City of Allen, Texas **Exhibit 15**

Statement of Activities
Component Units
For the year ended September 30, 2021

Function/Program Activities	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Component Units: Allen Economic Development Corporation	Net (Expense) Revenue and Changes in Net Position: Component Units: Allen Community Development Corporation	Totals
COMPONENT UNITS						
Allen Economic Development Corporation	$ 8,210,690	$ -	$ -	$ (8,210,690)	$ -	$ (8,210,690)
Allen Community Development Corporation	5,905,398	-	-	-	(5,905,398)	(5,905,398)
TOTAL COMPONENT UNITS	$ 14,116,088	$ -	$ -	$ (8,210,690)	$ (5,905,398)	$ (14,116,088)
General revenues:						
Sales taxes				$ 12,567,041	$ 12,567,041	$ 25,134,082
Interest on investments				140,326	212,370	352,696
Miscellaneous				14,579	10,050	24,629
Total general revenues				12,721,946	12,789,461	25,511,407
CHANGE IN NET POSITION				4,511,256	6,884,063	11,395,319
NET POSITION, beginning of year				18,134,351	44,758,340	62,892,691
NET POSITION, end of year				$ 22,645,607	$ 51,642,403	$ 74,288,010

The Notes to Financial Statements are an integral part of this statement.

CITY OF ALLEN

Note 1. Summary of Significant Accounting Policies

General Statement

The City of Allen (the City) was incorporated in 1953, under the provisions of Chapter 11, Title 28, Texas Revised Civil Statutes of 1925. In 1979, the City adopted a charter making it a home rule city operating under a Council-Manager form of government. The City provides such services as are authorized by its charter to advance the welfare, health, comfort, safety and convenience of its inhabitants.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America applicable to state and local governments. Generally accepted accounting principles for local governments include those principles prescribed by the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants in the publication entitled *Audits of State and Local Governmental Units.* The more significant accounting policies of the City are described below.

Financial Reporting Entity

As required by accounting principles generally accepted in the United States of America, the financial statements of the City include the primary government and organizations for which the primary government is financially accountable and other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The City is financially accountable for legally separate organizations if its officials appoint a voting majority of an organization's governing body and either it can impose its will on that organization or there is a potential for the organization to provide specific financial benefits to, or to impose specific financial burdens on, the primary government. A primary government may also be financially accountable for governmental organizations that are fiscally dependent on it.

A primary government can impose its will on an organization if it can significantly influence the programs, projects, or activities of, or the level of services performed or provided by, the organization. A financial benefit or burden relationship exists if the primary government (a) is entitled to the organization's resources; (b) is legally obligated or has otherwise assumed the obligation to finance the deficits of, or provide financial support to, the organization; or (c) is obligated in some manner for the debt of the organization.

Some organizations are included as component units because of their fiscal dependency on the primary government. An organization is fiscally dependent on the primary government if it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval by the primary government. The following entities were found to be component units of the City and are included in the basic financial statements:

Allen Economic Development Corporation (AEDC) - The AEDC is responsible for aiding, promoting and furthering economic development within the City.

Allen Community Development Corporation (ACDC) - The ACDC is responsible for supporting the improvements in community parks and recreation, streets and sidewalks, public safety and the community library.

The members of both the AEDC's and ACDC's Boards of Directors are appointed by the City Council. Both the AEDC and ACDC are fiscally dependent upon the City as the City Council approves their budgets and must approve any debt issuance. However, the component units do not qualify for blending because the component services directly benefit the community rather than the City itself. The AEDC and ACDC are discretely presented as governmental fund types and do not issue separate financial statements.

Basis of Presentation

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the non-fiduciary activities of the primary government and its component units. The effect of interfund activity, within the governmental and business-type activities columns, has been removed from these statements; however, interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Additionally, the primary government is reported separately from the legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given program and 2) operating or capital grants and contributions that are restricted to meeting the operational or capital requirements of a specific program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

The City segregates transactions related to certain functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Separate statements are presented for governmental funds, proprietary funds, and fiduciary funds. These statements present each major fund as a separate column on the fund financial statements; all nonmajor funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses and balances of current financial resources. The City has presented the following major governmental funds:

General Fund
The General Fund is the general operating fund of the City. It is used to account for all financial resources not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund
The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is reserved to signify the amounts that are restricted exclusively for debt service expenditures.

General Capital Projects Fund
The General Capital Projects Fund is used to account for resources used for the acquisition and/or construction of capital facilities by the City, except those financed by proprietary funds and not accounted for by another capital projects fund.

Grants Fund
To account for monies received from other governmental agencies that have restricted legal requirements and multi-year budgets.

General Obligation Bond Capital Projects Fund
To account for financing, acquisitions, and construction of improvements to City facilities and infrastructure not accounted for by other bond funds.

Business-type activities and all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flow. All assets and liabilities are included on the Statement of Net Position.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods relating to a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personnel and contractual services, supplies and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. The City reports the following major proprietary funds:

Enterprise Funds

Water and Sewer Fund
The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities for the fund include administration, operations and maintenance of the water and sewer system and billing and collection activities. The fund also accounts for the accumulation of resources for, and the payment of, long-term water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted, if necessary, to ensure integrity of the fund.

Solid Waste Fund
The Solid Waste Fund is used to account for the provision of solid waste services to residents of the City.

Drainage Fund
The Drainage Fund is used to account for the provision of developing and maintaining proper drainage services to the residents of the City.

Golf Course Fund
The Golf Course Fund is used to account for activities associated with the operations of The Courses at Watters Creek Golf Course purchased by the City in October 2004.

Additionally, the City reports the following Internal Service Funds:

Internal Service Funds

Replacement Fund
The Replacement Fund is an internal service fund that accounts for the costs associated with the acquisition and replacement of vehicles, machinery, and equipment through the rental of such items to other departments.

Risk Management Fund
The Risk Management Fund accounts for the costs associated with workers compensation, liability and property insurance and medical and dental programs established for City employees and their covered dependents.

Facility Maintenance Fund
The Facility Maintenance Fund accumulates resources to address large repairs and aging facility infrastructure. The accumulation of resources will help address major building repairs and prevent building deterioration.

Fiduciary Fund
The City's Fiduciary Fund are used to hold assets for the benefit of third parties (pension participants) and cannot be used to address activities or obligations of the primary government. This fund is not incorporated into the government-wide financial statements. The City's fiduciary fund accounts for the assets of the postemployment benefits trust.

Measurement Focus and Basis of Accounting

Measurement focus refers to what is being measured. Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements, fund financial statements for proprietary funds, and fiduciary fund statements are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or non-current) are included on the statement of net position and the operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water and sewer services which are accrued. Expenses are recognized at the time the liabilities are incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they become both measurable and available. "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The City considers all revenues as available if they are collected within 60 days after year end.

Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources. The revenues susceptible to accrual are property and sales taxes, franchise taxes and interest income. Other receipts (special assessments) become measurable and available when cash is received by the City and are recognized as revenue at that time.

Cash, Cash Equivalents, and Investments

State statutes and policy as established by the City Council authorize the City to invest in certificates of deposit, direct obligations of the U.S. Treasury, investment pools consisting of such U.S. Treasury obligations, repurchase agreements, commercial paper and mutual funds. Substantially all operating cash and cash equivalents are maintained in pooled cash and time deposit accounts. Interest income relating to pooled deposits is allocated to the individual funds based on each fund's pro rata share of total pooled deposits.

For purposes of the statement of cash flows, the proprietary funds consider all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents, as they are available for withdrawal on demand. Investments are recorded at amortized cost when original maturity at the time of purchase is less than one year or at market if greater than one year.

Encumbrances

To preserve portions of applicable appropriations, encumbrance accounting is used in governmental funds for purchase orders, contracts, and other commitments on the expenditure of funds. Under the City's budgetary process, appropriations lapse at fiscal year-end. Encumbrances are reported as assigned fund balance because they do not constitute expenditures or liabilities.

Property Taxes

The City's property tax is levied each October 1st on the assessed value listed as of the prior January 1st for all real and certain personal property located within the City. Appraised values are established by Collin County Central Appraisal District at 100% of estimated market value and certified by the Appraisal Review Board. The assessed value upon which the 2020 levy was based is $14,843,010,614. Taxes are due on October 1st and are delinquent after the following January 31st. The City is permitted by Article XI, Section 5 of the State of Texas Constitution to levy taxes up to $2.50 per $100 of assessed valuation for general governmental services, including the payment of principal and interest on general obligation long-term debt. For the year ended September 30, 2021, the combined tax rate to finance general government services, including the payment of principal and interest on long-term debt, was $0.4850 per $100 of assessed valuation.

In Texas, countywide central appraisal districts are required to assess all property within the appraisal district based on 100% of its appraised value and are prohibited from applying any assessment ratios. The value of property within the appraisal district must be reviewed every three years; however, the City may, at its own expense, require annual reviews of appraised values. The City may challenge appraised values established by the appraisal district through various appeals and, if necessary, legal action. Under this legislation, the City continues to set tax rates on City property. However, if the effective maintenance and operations tax rate, increased by 8% excluding other contractual obligations, adjusted for new improvements, plus the calculated debt tax rate is less than the proposed city tax rate, then qualified voters of the City may petition for an election to determine whether to limit the tax rate to no more than the rollback tax rate.

Interfund Receivables and Payables

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are reported as "due to/from other funds". Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Transactions Between Funds and Between Funds and Component Units

Interfund services provided and used are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as a reduction of expenditures/expenses in the fund reimbursed. All other interfund transactions, except transactions between the component units and the primary government are recorded as transfers.

Transactions between the component units and the primary government are accounted for as external transactions (revenues and expenses). During the fiscal year ended September 30, 2021, ACDC contributed $498,903 and AEDC contributed $106,006 to the General Fund for administrative costs. The ACDC contributed $115,675 to the Debt Service Fund to service debt related to the Terrell Recreation Center. These revenues were reflected as operating grants and contributions for the primary government in the government-wide statement of activities.

Inventories and Prepaid Items

Inventories are valued at cost using the first-in, first-out method for fuel and historical cost for meters. The inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Payments made to vendors for services that will provide benefit in subsequent fiscal periods are recorded as prepaid items in both the government-wide and fund financial statements. Prepaid items are reported as non-spendable fund balance in the governmental funds in the fund financial statements to signify that a portion of fund balance is not available for other subsequent expenditures. The consumption method is used in the fund financial statements.

Special Assessments

The City has the authority to make special assessments to property owners as part of the financing of capital improvements. Such assessments are recorded in the capital projects fund as receivables when assessed and are recognized as revenue when both the measurable and available criteria have been met (generally when collected).

Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements for proprietary funds. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at acquisition value on the date donated. The costs of normal repairs and maintenance that do not add value to assets or materially extend asset lives are not capitalized. Renewals and betterments are capitalized. Interest has not been capitalized during the construction period on property, plant and equipment.

Assets capitalized have an original cost of $5,000 or more and over one year of useful life. Depreciation has been calculated on each class of depreciable property using the straight-line method. Estimated useful lives are as follows:

Buildings	10 - 40 Years
Towers, tanks, and pump stations	5 - 40 Years
Infrastructure	3 - 50 Years
Machinery and equipment	3 - 15 Years
Vehicles	2 - 15 years
Furniture and fixture	5 - 10 Years
Other improvements	2 - 30 Years

The City has established the Replacement Fund to account for the replacement of the City-owned vehicles, machinery, and equipment. Charges for use in the form of user payments are made by City departments to the Replacement Fund to provide for future acquisitions and replacements.

Compensated Absences

City employees earn vacation and sick leave, which may either be taken or accumulated up to certain amounts until paid upon retirement or termination. Upon termination or retirement, an employee is reimbursed up to a maximum number of hours of vacation pay and sick leave based upon the years of service. Accumulated vacation and sick leave are accrued when incurred in the government-wide, proprietary, and fiduciary fund financial statements.

Pensions

For purposes of measuring the net pension liability, pension related deferred outflows and inflows of resources, and pension expense, City specific information about its Fiduciary Net Position in the Texas Municipal Retirement System (TMRS) and additions to/deductions from the City's Fiduciary Net Position have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. Benefit payments and refunds are recognized when due and payable in accordance with the benefit terms.

Investments are reported at fair value. Information regarding the City's Total Pension Liability is obtained from TMRS through a report prepared for the City by TMRS consulting actuary, Gabriel Roeder Smith & Company.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plan and the additions to/deductions from the City's OPEB Plan's net fiduciary position have been determined on the same basis as they were reported by the City's Other Postemployment Benefit Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The investments are reported at fair value.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and/or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has the following items that qualify for reporting in this category:

- Deferred charges on refunding – A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Contributions after measurement date – These contributions are deferred and recognized in the following fiscal year.
- Difference between expected and actual pension and OPEB experience – This difference is deferred and amortized over a closed period.

In addition to liabilities, the statement of net position and/or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items that qualify for reporting in this category. In the statement of net position, the City reports the difference in expected and actual pension and OPEB experience, the changes in actuarial assumptions and the difference in projected and actual earnings on pension assets . These are deferred and recognized over the estimated average remaining lives of all members determined as of the measurement date. In the balance sheet for the governmental funds, the City reports unavailable revenue for property taxes not received within 60 days of year end.

Net Position

Net position represents the difference between assets, liabilities, and deferred inflows and outflows. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction or improvements of those assets, and adding back unspent proceeds. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislations adopted by the City or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

Fund Balance

Fund balance classifications are non-spendable, restricted, committed, assigned, and unassigned. These classifications reflect not only the nature of funds, but also provide clarity to the level of restriction placed upon fund balance. Fund balance can have different levels of constraint, such as external versus internal compliance requirements. Unassigned fund balance is a residual classification within the General Fund.

The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

The City classifies governmental fund balances as follows:

Non-spendable -- includes fund balance amounts that cannot be spent because they are either not in spendable form, or for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid items and long-term receivables.

Restricted -- includes fund balance amounts that are either constrained for specific purposes imposed by external providers, such as creditors, or restricted due to constitutional provisions or enabling legislation. This classification includes retirement of long-term debt, construction programs, and other federal and state grants.

Committed -- includes fund balance amounts that are constrained for specific purposes imposed internally by the City through formal action of the highest level of decision-making authority. Committed fund balance is reported pursuant to resolutions passed by the City Council.

Assigned -- includes fund balance amounts that are self-imposed by the City to be used for a particular purpose. Fund balance can be assigned by the City Manager or the Chief Financial Officer. This classification includes insurance deductibles, encumbrances, program start-up costs, projected budget deficit for subsequent years and other legal uses.

Unassigned -- includes residual positive fund balance within the General Fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed, or assigned for those specific purposes.

When multiple categories of fund balance are available for expenditure, the City will start with the most restricted category and spend those funds first before moving down to the next category with available funds.

Minimum General Fund Unassigned Fund Balance - It is the goal of the City to achieve and maintain an unassigned General Fund balance that is within a range of 60 to 90 days of annual expenditures. If unassigned General Fund balance falls below the goal or has a deficiency, the City will establish a timeframe and work plan to replenish the fund balance. The work plan may include tax increases, fee increases, reduction of services, and/or reduction of expenditures (i.e. hiring freeze, salary freeze, or reduction of travel/training).

Note 2. Deposits, Investments and Investment Policies

Deposits – State statutes require all deposits to be fully collateralized by U.S. Government obligations or obligations of Texas and its agencies with market values not less than the principal amount of the deposits. Pursuant to the Texas Public Funds Investment Act (PFIA) and the City's investment policy, all deposits of the City that exceed the federal depository insurance coverage level must be collateralized with irrevocable letters of credit and/or by governmental obligations pledged to the City with market values of at least 103% of the deposit balances plus accrued interest.

The City's demand deposits and certificates of deposit were fully insured or collateralized at September 30, 2021, with collateral required by state statutes. At year's end, the carrying amount of the City's deposits was $10,378,579, and the bank balance was $9,231,194. Of the bank balance, federal depository insurance covered $250,000, and the remainder was covered by collateral held by the pledging financial institution's agent in the City's name. The City's petty cash balance at September 30, 2021, was $23,309. The carrying amount of deposits for ACDC and AEDC, discretely presented component units, were $736,542 and $391,125, respectively, with no corresponding bank balances as they are pooled with the City's deposits.

Investments – State statutes authorize the City to invest in U.S. Government obligations, obligations of Texas and its agencies and fully collateralized repurchase agreements. The City, AEDC and ACDC invest in TexPool which is an investment fund authorized by the Texas Legislature and administered by the Texas State Treasury. The Texas Treasury Safekeeping Trust Company is trustee of TexPool and is a limited purpose trust company authorized pursuant to Texas Government Code. The purpose of TexPool is to allow for the pooling of public funds to provide a higher yield on the pooled investment than would be possible with the investment of the individual public entity's funds. TexPool investments are subject to the same investment policies maintained by the State Treasury for all state funds. The Legislature has authorized only certain investment instruments for public funds, including repurchase agreements, U.S. Treasury bills and bonds, securities of other U.S. Government agencies, commercial paper and other safe instruments.

The *PFIA* (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. In compliance with PFIA, the City has adopted an investment policy and is authorized to invest in obligations of, or guaranteed by, governmental entities, certificates of deposit, Texas Public Funds Investment Pools, collateralized repurchase agreements, commercial paper, banker's acceptances, no-load money market mutual funds and guaranteed investment contracts. The table below identifies the investment types that are authorized for the City under Government Code Chapter 2256. The table also identifies certain provisions of the City's investment policy that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Investment in One Issuer
Certificates of Deposit	5 years	35%
Repurchase Agreements	5 years	35%
U. S. Treasure Obligations	5 years	None
Municipal Investment Pool	5 years	None
Commercial Bank Savings Account	5 years	None
Money Market Mutual Fund	5 years	35%
U. S. Government Securities (non-callable)	5 years	None
U. S. Government Securities (callable)	5 years	None
U. S. Government Sponsored Corp. Instruments: non-callable	5 years	None
U. S. Government Sponsored Corp. Instruments: callable	5 years	None
Commercial Paper	5 years	35%
Bankers' Acceptance	5 years	35%
Guaranteed Investment Contracts	5 years	35%
State or Local Governmental Obligations	5 years	35%

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application* provides a framework for measuring fair value by establishing a three-level fair value hierarchy that describes the inputs used to measure assets and liabilities.

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level input that is significant to the entire measurement.

The City's investments are measured as presented in the table below. The City's investment balances, weighted average maturity, and credit risk of such investments are as follows:

Investment Type	Primary Government	AEDC	ACDC	Other Postemployment Benefits Trust	Total September 30, 2021	Significant Other Observable Inputs (Level 2)	% of Total Government-wide Investments	Weighted Avg. Maturity (Years)	Credit Rating
Government-wide:									
Investments Measured at Amortized Cost:									
TexPool	$ 8,895,110	$ 553,067	$ 861,790	$ -	$ 10,309,967	$ -	3.61%	0.03	AAAm
TexSTAR	2,708,424	160,236	301,744	-	3,170,404	-	1.11%	0.01	AAAm
Investments Measured at NAV:									
Money Market Accounts	10,787	638	1,202	-	12,627	-	0.00%	-	AAAm
Texas CLASS	97,160,839	4,559,723	7,760,104	-	109,480,666	-	38.35%	0.37	AAAm
Investments Measured at Cost:									
Certificates of Deposit	12,865,632	761,156	1,433,353	-	15,060,141	-	5.28%	30.35	n/a
Investments Subject to Fair Value:									
U.S. Agencies	48,213,151	2,852,384	5,371,402	-	56,436,937	56,436,937	19.77%	254.40	AA+
Certificates of Deposit	7,249,715	428,907	807,687	-	8,486,309	8,486,309	2.97%	14.85	n/a
Municipal Bonds	70,511,759	4,171,614	7,855,678	-	82,539,051	82,539,051	28.91%	208.34	A to AAA
PARS OPEB Trust Program:									
Domestic Equities	-	-	-	314,779	314,779	-			
Fixed Income	-	-	-	912,713	912,713	-			
Private Equity	-	-	-	85,228	85,228	-			
Real Estate	-	-	-	13,803	13,803	-			
Total Government-wide Plus PARS OPEB Trust	$ 247,615,417	$ 13,487,725	$ 24,392,960	$ 1,326,523	$ 286,822,625	$ 147,462,297			

Investment pools, money markets, certificates of deposits (Level 1), and domestic equities are measured at amortized cost, net asset value, or cost; are valued using prices quoted in active markets for those securities; and are not required to be reported by levels in the table.

Investments in U.S. Agencies securities, certificates of deposits (Level 2), commercial paper, and municipal bonds classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique in accordance with pricing sources by the custodian bank. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of $1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. TexPool and TexSTAR have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium, or national or state emergency that affects the pools' liquidity.

TexPool is an external investment pool measured at amortized cost. The Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool.

TexSTAR is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by Hilltop Securities, Inc. and J.P. Morgan Investment Management, Inc. (JPMIM), and managed by JPMIM, who provides custody and investment management. The primary objectives of TexSTAR are, in order of priority, preservation and protection of principal, maintenance of enough liquidity to meet participants' needs, and yield. The portfolio will maintain a dollar-weighted average maturity that does not exceed 60 days and seeks to maintain a net asset value of $1.00 per share. TexSTAR uses amortized costs rather than fair value to report net position to compute share prices. Accordingly, the fair value of the position in TexSTAR is the same as the value of TexSTAR's shares.

Texas CLASS (Texas Cooperative Liquid Assets Security System) is an external investment pool measured at its net asset value. Texas CLASS' strategy is to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The City has no unfunded commitments related to the investment pool. Texas CLASS has a redemption notice period of one day and may redeem daily. Authority over the investment pool may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pool's liquidity. Texas CLASS was organized in March 1996 under a trust agreement executed by and among Texas local governmental entities in accordance with the Public Funds Investment Act, and the Texas Government Code and remains in full compliance with Government Code Chapter 2256. The fund is administered by Public Trust Advisors, LLC and is rated AAAm by Standard & Poor's Rating Services.

Investments in the Other Postemployment Benefit Trust Program (the "Trust") are held by a bank trust department separate from the City's cash and investments. The City has contracted with Public Agency Retirement Services (PARS) to manage the investment portfolio of the Trust Fund. The investments are subject to the policies and guidelines established by the committee members of the Trust.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Investments with interest rates that are fixed for longer periods of time are more likely to be subject to increased variability in their fair values due to changes in the market interest rates. The City manages its exposure to market price changes by avoiding over-concentration of assets in a specific maturity sector, limitation of average maturity of operating funds investments to less than eighteen months, and avoidance of over-concentration of assets in specific instruments other than U.S. Treasury Securities, U.S. Agency Obligations or Securities and authorized investment pools.

Credit Risk

The City's Investment policy, in conjunction with state law, specifies the type of credit rating of all authorized investments.

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This type of risk is typically expressed in terms of the credit ratings issued by a nationally recognized statistical rating organization. The City reduces the risk of issuer default by limiting investments to those instruments allowed by the Public Funds Investment Act, Chapter 2256, Texas Government Code. The City's investments in U.S. Agency securities (FFCB, FHLB, FHLMC, and FNMA) are rated AA+ by Standard & Poor's and Aaa by Moody's Investors Service.

The City's investments in municipal bonds are rated AA- by Standard and Poor's and Aa3 by Moody's Investors Service. Investments in TexPool, TexSTAR, Texas CLASS, and money market accounts carried a credit rating of AAAm by Standard & Poor's as of September 30, 2021.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City's investment policy controls concentration of credit risk by limiting the amount of investment with a single issuer to no more than 35% of the total portfolio except for State approved investment pools and U.S. Government Securities and Agency Obligations. As of September 30, 2021, apart from funds invested in TexPool, TexSTAR, or Texas CLASS, the City did not have any investments with a single issuer exceeding 5% or more of the City's investments.

Custodial Credit Risk

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for investments is the risk that, in the event of failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City's investment policy minimizes custodial credit risk by requiring pledged securities to be in the name of the City.

The Public Funds Investment Act requires financial institutions to secure deposits made by state or local governmental bodies by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities of the collateral must always remain at least equivalent to the bank balance less the FDIC insurance.

As of September 30, 2021, the City's deposits with financial institutions above the federal depository limits were fully collateralized.

Note 3. Receivables

Receivables at September 30, 2021, for both governmental and business-type activities, including the applicable allowances for uncollectible accounts, consist of the following:

	Property Taxes	Sales Taxes	Accrued Accounts	Interest	Other	Total
General Fund	$ 519,764	$ 4,423,158	$ -	$ 79,358	$ 4,940,690	$ 9,962,970
Debt Service	121,715	-	-	1,375	-	123,090
General Capital Projects	-	-	-	102,356	1,296,779	1,399,135
Grants Fund	-	-	267,475	-	-	267,475
G.O. Bond Fund	-	-	-	151,146	-	151,146
Nonmajor Governmental Funds	-	-	155,976	35,711	-	191,687
Water and Sewer Fund	-	-	8,165,745	107,013	7,942	8,280,700
Solid Waste Fund	-	-	838,480	8,105	130,693	977,278
Drainage Fund	-	-	249,986	2,036	292	252,314
Golf Course Fund	-	-	-	-	23,968	23,968
Internal Service Funds	-	-	30,514	77,602	-	108,116
Gross Receivables	641,479	4,423,158	9,708,176	564,702	6,400,364	21,737,879
Less: Allowance for Uncollectibles	(448,128)	-	(264,119)	-	(1,783,089)	(2,495,336)
Total Net Receivables, Primary Government	$ 193,351	$ 4,423,158	$ 9,444,057	$ 564,702	$ 4,617,275	$ 19,242,543
Component Units	$ -	$ 4,348,710	$ -	$ 96,322	$ -	$ 4,445,032

The Water and Sewer Fund, Solid Waste Fund, and Drainage Fund accounts receivable include unbilled charges for services rendered through September 30, 2021.

Note 4. Capital Assets

Capital asset activity for the year ended September 30, 2021, was as follows:

Governmental Activities

	Balance September 30, 2020	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2021
Governmental Funds:-					
General capital assets not being depreciated:					
Land and land improvements	$ 154,055,221	$ 2,102,788	$ -	$ -	$ 156,158,009
Construction in progress	23,206,266	7,872,562	-	(9,019,076)	22,059,752
Total capital assets not being depreciated	177,261,487	9,975,350	-	(9,019,076)	178,217,761
General capital assets being depreciated:					
Buildings	101,175,168	-	-	7,723,621	108,898,789
Improvements other than buildings	539,587,380	4,313,934	-	1,295,455	545,196,769
Furniture and fixtures	4,836,510	-	-	-	4,836,510
Vehicles	2,065,662	100,674	(195,300)	-	1,971,036
Library books	263,597	-	(263,597)	-	-
Machinery and equipment	8,458,523	308,158	(16,322)	-	8,750,359
Total capital assets being depreciated	656,386,840	4,722,766	(475,219)	9,019,076	669,653,463
Less accumulated depreciation for:					
Buildings	(36,102,710)	(2,661,521)	-	-	(38,764,231)
Improvements other than buildings	(329,565,514)	(18,253,271)	-	-	(347,818,785)
Furniture and fixtures	(4,570,658)	(56,283)	-	-	(4,626,941)
Vehicles	(1,305,635)	(198,154)	195,300	-	(1,308,489)
Library books	(263,597)	-	263,597	-	-
Machinery and equipment	(7,275,669)	(394,372)	16,322	-	(7,653,719)
Total accumulated depreciation	(379,083,783)	(21,563,601)	475,219	-	(400,172,165)
Total general capital assets being depreciated, net	277,303,057	(16,840,835)	-	9,019,076	269,481,298
General capital assets, net	$ 454,564,544	$ (6,865,485)	$ -	$ -	$ 447,699,059

	Balance September 30, 2020	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2021
Internal service funds					
assets being depreciated:					
Vehicles	$ 17,529,340	$ 1,469,382	$ (736,974)	$ -	$ 18,261,748
Machinery and equipment	5,803,006	-	(1,400)	-	5,801,606
Total internal service					
assets being depreciated	23,332,346	1,469,382	(738,374)	-	24,063,354
Less accumulated					
depreciation for:					
Vehicles	(10,385,874)	(2,052,724)	712,176	-	(11,726,422)
Machinery and equipment	(3,974,860)	(439,474)	1,400	-	(4,412,934)
Total accumulated					
depreciation	(14,360,734)	(2,492,198)	713,576	-	(16,139,356)
Total Internal service funds					
capital assets being depreciated, net	8,971,612	(1,022,816)	(24,798)	-	7,923,998
Total Internal service funds					
capital assets, net	8,971,612	(1,022,816)	(24,798)	-	7,923,998
Governmental activities					
capital assets, net	$ 463,536,156	$ (7,888,301)	$ (24,798)	$ -	$ 455,623,057

Business-Type Activities

	Balance September 30, 2020	Additions	Dispositions / Transfers	Balance September 30, 2021
Water and Sewer Activities:				
Capital assets not being depreciated:				
Land	$ 4,091,626	$ -	$ -	$ 4,091,626
Construction in progress	6,963,285	6,069,554	(4,490,345)	8,542,494
Total capital assets not				
being depreciated	11,054,911	6,069,554	(4,490,345)	12,634,120
Capital Assets Being depreciated:				
Towers, tanks, & pumps stations	216,042,913	2,013,893	4,490,345	222,547,151
Machinery and equipment	3,290,535	23,570	-	3,314,105
Vehicles	864,068	366,485	(380,135)	850,418
Total capital assets				
being depreciated	220,197,516	2,403,948	4,110,210	226,711,674
Less accumulated depreciation for:				
Towers, tanks, & pumps stations	(105,205,164)	(5,754,392)		(110,959,556)
Machinery and equipment	(2,597,224)	(232,722)	-	(2,829,946)
Vehicles	(689,131)	(74,019)	380,135	(383,015)
Total accumulated				
depreciation	(108,491,519)	(6,061,133)	380,135	(114,172,517)
Total capital assets				
being depreciated, net	111,705,997	(3,657,185)	4,490,345	112,539,157
Water and sewer activities				
capital assets, net	$ 122,760,908	$ 2,412,369	$ -	$ 125,173,277

	Balance September 30, 2020	Additions	Dispositions / Transfers	Balance September 30, 2021
Solid Waste Activities:				
Capital assets being depreciated:				
Machinery and equipment	$ 12,359	$ -	$ (12,359)	$ -
Vehicles	140,440	-	-	140,440
Total capital assets being depreciated	152,799	-	(12,359)	140,440
Less accumulated depreciation for:				
Machinery and equipment	(12,359)	-	12,359	-
Vehicles	(63,198)	(14,044)	-	(77,242)
Total accumulated depreciation	(75,557)	(14,044)	12,359	(77,242)
Solid waste activities capital assets, net	$ 77,242	$ (14,044)	$ -	$ 63,198
Drainage Activities:				
Capital assets not being depreciated:				
Construction in progress	$ 734,414	$ -	$ (734,414)	$ -
Total capital assets not being depreciated	734,414	-	(734,414)	-
Capital assets being depreciated:				
Other improvements	496,132	-	734,414	1,230,546
Vehicles	151,554	-	-	151,554
Machinery and equipment	598,962	-	(5,000)	593,962
Total capital assets being depreciated	1,246,648	-	729,414	1,976,062
Less accumulated depreciation for:				
Other improvements	(214,621)	(30,624)	-	(245,245)
Vehicles	(77,450)	(13,473)	-	(90,923)
Machinery and equipment	(449,052)	(35,846)	5,000	(479,898)
Total accumulated depreciation	(741,123)	(79,943)	5,000	(816,066)
Drainage activities capital assets, net	$ 1,239,939	$ (79,943)	$ -	$ 1,159,996
Golf Course Activities:				
Capital assets being depreciated:				
Machinery and equipment	$ 1,498,135	$ 54,452	$ -	$ 1,552,587
Total capital assets being depreciated	1,498,135	54,452	-	1,552,587
Less accumulated depreciation for:				
Machinery and equipment	(1,071,771)	(163,059)	-	(1,234,830)
Total accumulated depreciation	(1,071,771)	(163,059)	-	(1,234,830)
Golf course activities capital assets, net	426,364	(108,607)	-	317,757
Business-type activities capital assets, net	$ 124,504,453	$ 2,209,775	$ -	$ 126,714,228

	Balance September 30, 2020	Additions	Dispositions	Adjustments/ Transfers	Balance September 30, 2021
Economic Development Corporation:					
Capital assets not being depreciated:					
Land and Land Improvements	$ 18,115,044	$ 684,018	$ -	$ -	$ 18,799,062
Total capital assets not being depreciated	18,115,044	684,018	-	-	18,799,062
Capital assets being depreciated:					
Buildings	1,004,091	-	-	-	1,004,091
Total capital assets being depreciated	1,004,091	-	-	-	1,004,091
Less accumulated depreciation for:					
Buildings	(75,307)	(50,205)	-	-	(125,512)
Total accumulated depreciation	(75,307)	(50,205)	-	-	(125,512)
Total capital assets being depreciated, net	928,784	(50,205)	-	-	878,579
Economic Development Corporation capital assets, net	$ 19,043,828	$ 633,813	$ -	$ -	$ 19,677,641
Community Development Corporation:					
Capital assets not being depreciated:					
Land and Land Improvements	$ 2,239,201	$ -	$ -	$ -	$ 2,239,201
Construction in progress	459,967	1,757,436	-	-	2,217,403
Total capital assets not being depreciated	2,699,168	1,757,436	-	-	4,456,604
Capital assets being depreciated:					
Buildings	36,225,091	-	-	-	36,225,091
Machine & Equipment	3,030,834	140,908	(72,567)	-	3,099,175
Improvements other than buildings	38,207,511	-	-	-	38,207,511
Vehicles	874,339	-	(91,111)	-	783,228
Total capital assets being depreciated	78,337,775	140,908	(163,678)	-	78,315,005
Less accumulated depreciation for:					
Buildings	(9,770,389)	(912,819)	-	-	(10,683,208)
Machine & Equipment	(2,238,336)	(266,036)	72,567	-	(2,431,805)
Improvements other than buildings	(19,907,340)	(2,274,484)	-	-	(22,181,824)
Vehicles	(720,495)	(39,283)	91,111	-	(668,667)
Total accumulated depreciation	(32,636,560)	(3,492,622)	163,678	-	(35,965,504)
Total capital assets being depreciated, net	45,701,215	(3,351,714)	-	-	42,349,501
Community Development Corporation capital assets, net	48,400,383	(1,594,278)	-	-	46,806,105
Component units capital assets, net	$ 67,444,211	$ (960,465)	$ -	$ -	$ 66,483,746

Depreciation expense was charged as direct expense to programs of the primary government and component units as follows:

Governmental activities:		
General government	$	1,067,317
Public safety		1,079,623
Public works		16,170,430
Culture and recreation		3,227,366
Community development		18,865
Total depreciation expense - General capital assets		21,563,601
Internal Service Funds		2,492,198
Total depreciation expense - Governmental activities	$	24,055,799
Business-type activities:		
Water and sewer	$	6,061,133
Solid waste		14,044
Drainage utility		79,943
Golf course		163,059
Total depreciation expense - Business-type activities	$	6,318,179
Component units:		
Allen Economic Development Corporation	$	50,205
Allen Community Development Corporation		3,492,622
Total depreciation expense - Component units	$	3,542,827

Outstanding commitments at September 30, 2021, under authorized construction contracts totaled $39,000,756. These outstanding commitments for capital projects will be funded from unexpended bond proceeds and additional general obligation bonds.

Note 5. Long-term Debt

At September 30, 2021, bonds payable consisted of the following individual issues:

General Obligation Bonds:		
$1,595,000 Series 2006 Bonds due in annual installments of $50,000 to $115,000 through August 15, 2026; interest at 4.0% to 4.2%.	$	525,000
$5,065,000 Series 2013 Bonds due in annual installments of $190,000 to $340,000 through August 15, 2032; interest at 2.0% to 3.5%.		3,230,000
$10,595,000 Series 2014 Bonds due in annual installments of $375,000 to $740,000 through August 15, 2033; interest at 2.0% to 4.0%.		7,375,000
$32,245,000 Series 2015 Refunding and Improvement Bonds due in annual installments of $160,000 to $3,605,000 through August 15, 2034; interest at 2.0% to 5.0%.		13,165,000

General Obligation Bonds – continued

$6,910,000 Series 2016 Refunding Bonds due in annual installments of $775,000 to $1,000,000 through August 15, 2028; interest at 2.0% to 4.0%.	$	5,910,000
$11,845,000 Series 2017 Bonds due in annual installments of $645,000 to $1,130,000 through August 15, 2032; interest at 2.25% to 5.0%.		8,745,000
$8,355,000 Series 2018 Bonds due in annual installments of $400,000 to $725,000 through August 15, 2033; interest at 2.0% to 5.0%.		6,830,000
$8,630,000 Series 2019 Refunding and Improvement Bonds due in annual installments of $370,000 to $2,165,000 through August 15, 2034; interest at 2.5% to 4.0%.		6,095,000
$23,385,000 Series 2020 Refunding and Improvement Bonds due in annual installments of $1,020,000 to $3,355,000 through August 15, 2035; interest at 2.0% to 4.0%.		20,030,000
$10,595,000 Series 2021 Refunding and Improvement Bonds due in annual installments of $120,000 to $2,575,000 through August 15, 2036; interest at 3.0% to 5.0%.		10,475,000
Unamortized premium on general obligation bonds.		9,699,808
	$	92,079,808
Certificates of Obligation:		
$22,945,000 Series 2021 Tax & Revenue Certificates due in annual installments of $1,075,000 to $2,035,000 through August 15, 2036; interest at the rate of 4%-5%.	$	22,945,000
Unamortized premium on certificates of obligation.		5,333,061
	$	28,278,061
Tax Notes:		
$2,600,000 Series 2019 Tax Notes due in annual installments of $855,000 to $880,000 through August 15, 2022; interest at the rate of 1.75%.	$	880,000
$3,175,000 Series 2020 Tax Notes due in annual installments of $475,000 to $580,000 through August 15, 2026; interest at the rate of 4%.		2,700,000
Unamortized premium on tax notes.		337,980
	$	3,917,980

	Business-type
Water and Sewer Revenue Bonds:	
$3,370,000 Series 2013 Refunding Bonds due in installments of $90,000 to $385,000 through June 1, 2025; with interest at the rate of 2.0% to 3.0%.	$ 1,375,000
$1,280,000 Series 2014 Refunding Bonds due in installments of $105,000 to $265,000 through June 1, 2024; with interest at the rate of 2.1%.	355,000
$9,330,000 Series 2018 Bonds due in installments of $290,000 to $670,000 through June 1, 2038; with interest at the rate of 2.0% to 5.0%.	8,340,000
$3,845,000 Series 2019 Bonds due in installments of $150,000 to $265,000 through June 1, 2039; with interest at the rate of 2.0% to 4.0%.	3,535,000
$4,880,000 Series 2020 Bonds due in installments of $175,000 to $360,000 through June 1, 2040; with interest at the rate of 2.0% to 5.0%.	4,675,000
$10,675,000 Series 2021 Bonds due in installments of $400,00 to $715,000 through June 1, 2036; with interest at the rate of 2.0% to 5.0%.	10,675,000
Unamortized premium on water and sewer revenue bonds.	3,480,106
	$ 32,435,106
AEDC Sales Tax Revenue Bonds:	
$11,810,000 Series 2017A Refunding Bonds due in annual installments of $880,000 to $1,335,000 through September 1, 2027; interest at 2.0% to 5.0%.	$ 7,110,000
$2,110,000 Series 2020 Sales Tax Revenue Bonds due in annual installments of $200,000 to $225,000 through September 1, 2030; interest at .75% to 2.0%.	1,910,000
$2,295,001 Series 2020 Sales Tax Revenue Bonds due in annual installments of $160,000 to $200,000 through September 1, 2036; interest at .65% to 2.45%.	2,295,000
Unamortized premium on AEDC sales tax revenue bonds.	727,972
	$ 12,042,972
AEDC Promissory Note:	
$4,400,000 Promissory Note due in annual installments of $679,853 through June 11, 2022; interest at 2.00%.	$ 666,522
	$ 666,522
ACDC Sales Tax Revenue Bonds:	
$31,235,000 Series 2016 Refunding Bonds due in annual installments of $1,715,000 to $3,825,000 through September 1, 2025; interest at 0.750% to 2.353%.	$ 22,530,000
	$ 22,530,000

The following is a summary of long-term debt transactions, including current portion, of the City for the year ended September 30, 2021:

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Governmental Activities					
General obligation bonds	$ 88,395,000	$ 10,595,000	$ (16,610,000)	$ 82,380,000	$ 9,495,000
Certificates of obligation	-	22,945,000	-	22,945,000	1,075,000
Tax notes	4,920,000	-	(1,340,000)	3,580,000	1,380,000
Capital lease payable	46,005	100,674	(44,141)	102,538	45,253
Premiums (discounts)	10,585,840	6,881,772	(2,096,763)	15,370,849	1,645,970
Compensated absences	7,854,230	5,938,604	(5,564,536)	8,228,298	6,585,216
Net OPEB liability	1,559,682	365,245	-	1,924,927	-
Net pension liability	22,391,559	-	(2,805,108)	19,586,451	-
Governmental activity long-term debt	$ 135,752,316	$ 46,826,295	$ (28,460,548)	$ 154,118,063	$ 20,226,439

The general fund has typically been used to liquidate the liability for compensated absences for governmental activities.

	Balance Beginning of Year	Increases	Decreases	Balance End of Year	Due Within One Year
Business-Type Activities					
Water and sewer revenue bonds	$ 19,450,000	$ 10,675,000	$ (1,170,000)	$ 28,955,000	$ 1,555,000
Capital lease payable	423,155	54,453	(145,073)	332,535	159,565
Premiums (discounts)	2,070,599	1,625,584	(216,077)	3,480,106	216,079
Net pension liability	2,762,777	-	(327,345)	2,435,432	-
Net OPEB liability	190,162	42,622	-	232,784	-
Compensated absences	787,220	553,882	(504,928)	836,174	535,110
Business-type activity long-term debt	$ 25,683,913	$ 12,951,541	$ (2,363,423)	$ 36,272,031	$ 2,465,754
Component Units					
Allen Community Development Corporation					
Sales tax revenue bonds	$ 24,315,000	$ -	$ (1,785,000)	$ 22,530,000	$ 1,815,000
ACDC long-term debt	$ 24,315,000	$ -	$ (1,785,000)	$ 22,530,000	$ 1,815,000
Allen Economic Development Corporation					
Sales tax revenue bonds	$ 10,225,000	$ 2,295,000	$ (1,205,000)	$ 11,315,000	$ 1,245,000
Note payable	1,319,975	-	(653,453)	666,522	666,522
Premiums (discounts)	860,330	-	(132,358)	727,972	132,358
AEDC long-term debt	$ 12,405,305	$ 2,295,000	$ (1,990,811)	$ 12,709,494	$ 2,043,880
Component units long-term debt	$ 36,720,305	$ 2,295,000	$ (3,775,811)	$ 35,239,494	$ 3,858,880

Bond Issuances

On June 30, 2021, the City issued *City of Allen, Texas General Obligation Improvement and Refunding Bonds, Series 2021*, in the amount of $10,595,000, to construct and/or make improvements to existing library facilities and streets; and to refund all future debt service payments of $6,945,000 related to the *City of Allen, Texas General Obligation Refunding Bonds, Series 2011 and General Obligation Refunding Bonds, Series 2012*. Total bond proceeds totaled $12,143,711 and includes a premium of $1,548,711. Expenses incurred to deliver the Series 2021 bonds, including issuance costs, underwriter's discount, and agents' fees amounted to $156,486. The Series 2021 bonds incur an average cost over the life of the debt at a rate of 3.00%-5.00% and mature annually, with semi-annual interest payments. The City deposited $7,105,226 with an escrow agent in order to redeem the outstanding balances of the refunded debt.

The net carrying amount of the old debt exceeded the reacquisition price by $365,182. This amount is being netted against the new debt and amortized over the remaining life of the refunding Series 2011 and Series 2012 bonds. The City refunded the series 2011 and 2012 bonds to reduce its total debt service payments over ten years by $770,350 and to obtain an economic gain (difference between the present values of the debt service payments on the old and new debt) of $738,178.

On June 30, 2021, the City issued *City of Allen, Texas Combination Tax and Revenue Certificates of Obligation Series 2021*, in the amount of $22,945,000, plus a premium of $5,333,061, to construct a new recreation center, construct and/or make improvements on public infrastructure within the City and to pay costs related to the issuance of the certificates. The certificates incur an average cost over the life of the debt at a rate of 4.00-5.00% and mature annually with semi-annual interest payments. The certificates will fully mature in 2036.

On June 30, 2021, the City issued *City of Allen, Texas Waterworks and Sewer System Revenue Bonds, Series 2021*, in the amount of $10,675,000, plus a premium of $1,625,584, to make improvements to the existing water and sewer systems of the City. The bonds incur an average cost over the life of the bonds at a rate of 2.00-5.00% and mature annually with semi-annual interest payments. The bonds will fully mature in 2041.

On June 24, 2021, the Allen Economic Development Corporation issued*, Sales Tax Revenue Bonds, Series 2021*, in the amount of $2,295,000 to provide funds to finance the costs of designing, constructing, acquiring, and improving infrastructure with the City, including streets and roads, storm sewer, sanitary sewer and water utilities, detention and irrigation improvements, and related improvements to promote or develop new or expanded business enterprises, to make a deposit to the reserve fund and to pay costs associated with the issuance of the bonds. The bonds incur an average cost over the life of the bonds at a rate of .65-1.6% and mature annually with semi-annual interest payments. The bonds will fully mature in 2036.

Annual Requirements to Retire Debt Obligations

The City intends to retire all its general long-term liabilities, plus accrued interest, from ad valorem taxes and other current revenues. The proprietary fund type long-term debt, plus accrued interest, will be repaid from operating revenues of the Water and Sewer Fund. The annual aggregate maturities for each bond type for the years subsequent to September 30, 2021, are on the following pages.

General Obligation Bonds

Annual debt service requirements to maturity for general obligation bonds, including interest, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 9,495,000	$ 3,205,481	$ 12,700,481
2023	8,095,000	2,868,586	10,963,586
2024	7,880,000	2,548,458	10,428,458
2025	6,980,000	2,253,386	9,233,386
2026	7,235,000	1,999,807	9,234,807
2027-2031	29,190,000	5,834,962	35,024,962
2032-2036	13,505,000	1,070,863	14,575,863
Total	$ 82,380,000	$ 19,781,543	$ 102,161,543

Certificates of Obligation

Annual debt service requirements to maturity for certificates of obligation, including interest, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 1,075,000	$ 1,036,500	$ 2,111,500
2023	1,130,000	982,750	2,112,750
2024	1,190,000	926,250	2,116,250
2025	1,250,000	866,750	2,116,750
2026	1,310,000	804,250	2,114,250
2027-2031	7,585,000	2,972,500	10,557,500
2032-2036	9,405,000	1,158,600	10,563,600
Total	$ 22,945,000	$ 8,747,600	$ 31,692,600

Tax Notes

Annual debt service requirements to maturity for the Tax Notes, including interest, are as follows:

	Governmental Activities		
Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 1,380,000	$ 123,400	$ 1,503,400
2023	520,000	88,000	608,000
2024	540,000	67,200	607,200
2025	560,000	45,600	605,600
2026	580,000	23,200	603,200
Total	$ 3,580,000	$ 347,400	$ 3,927,400

Waterworks and Sewer System Revenue Bonds

Revenue bonds debt service requirements to maturity, including interest, are as follows:

	Business-type Activities		
Fiscal Year Ending September 30	Principal	Interest	Total
2022	$ 1,555,000	$ 1,040,735	$ 2,595,735
2023	1,575,000	1,019,366	2,594,366
2024	1,645,000	970,308	2,615,308
2025	1,420,000	929,700	2,349,700
2026	1,200,000	892,950	2,092,950
2027-2031	6,605,000	3,833,900	10,438,900
2032-2036	8,160,000	2,273,450	10,433,450
2037-2041	6,795,000	622,900	7,417,900
Total	$ 28,955,000	$ 11,583,309	$ 40,538,309

AEDC Sales Tax and Revenue Bonds

Sales Tax Revenue bond debt service requirements to maturity, including interest, are as follows:

	AEDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 1,245,000	$ 425,743	$ 1,670,743
2023	1,305,000	371,792	1,676,792
2024	1,515,000	314,743	1,829,743
2025	1,580,000	253,845	1,833,845
2026	1,645,000	189,015	1,834,015
2027-2031	3,075,000	268,892	3,343,892
2032-2036	950,000	69,010	1,019,010
Total	$ 11,315,000	$ 1,893,040	$ 13,208,040

ACDC Sales Tax and Revenue Bonds

Sales Tax Revenue bond debt service requirements to maturity, including interest, are as follows

	ACDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 1,815,000	$ 595,735	$ 2,410,735
2023	1,850,000	560,560	2,410,560
2024	1,890,000	521,192	2,411,192
2025	1,935,000	476,721	2,411,721
2026	1,980,000	431,190	2,411,190
2027-2031	10,725,000	1,335,413	12,060,413
2032-2036	2,335,000	74,090	2,409,090
Total	$ 22,530,000	$ 3,994,901	$ 26,524,901

AEDC Note Payable

The note payable debt service requirements to maturity, including interest, are as follows:

	AEDC		
Fiscal Year Ending September 30,	Principal	Interest	Total
2022	$ 666,522	$ 13,330	$ 679,852
Total	$ 666,522	$ 13,330	$ 679,852

A schedule of authorized but unissued direct General Obligation Bonds as of September 30, 2021, is as follows:

Purpose	Date of Authorization	Original Amount Authorized	Issued in Prior Fiscal Years	Issued in 2021	Unissued Balance
Service Center Facilities	5/12/2007	$ 14,500,000	$ 12,500,000	$ -	$ 2,000,000
Library	5/7/2016	16,045,000	1,431,000	1,000,000	13,614,000
Streets and Drainage	5/7/2016	23,890,000	14,346,000	3,882,000	5,662,000
Parks	5/7/2016	27,000,000	18,000,000	-	9,000,000
Public Art Projects	5/7/2016	1,770,000	867,940	-	902,060
Public Safety	5/7/2016	24,445,000	13,000,000	-	11,445,000
		$ 107,650,000	$ 60,144,940	$ 4,882,000	$ 42,623,060

Waterworks and Sewer System Revenue Bonds

Waterworks and Sewer System Revenue Bonds are used to finance the acquisition of major capital improvements for the City's water and sewer system and related facilities. Water and Sewer Revenue Bonds and Refunding Bonds are payable solely from and, equally secured by, a first lien on and pledge of the net revenue of the City's combined waterworks and sanitary sewer systems.

The City is required by the applicable revenue bond indentures to pledge the net revenues of the Water and Sewer Enterprise Fund for the retirement of its outstanding revenue bonds, including interest thereon, and is required to maintain debt service funds and bond reserve funds for all such bonds outstanding.

Funds aggregating $764,763 at September 30, 2021, are restricted within the Water and Sewer Enterprise Fund for servicing of the debt. The respective bond indentures require the City to make equal monthly payments to the restricted accounts to accumulate the annual principal and interest requirements as they become due.

The ordinances authorizing the Revenue Bonds stipulate that the City will deposit, in addition to principal and interest requirements, certain amounts in a reserve fund. Amounts in the reserve fund are to be used to pay principal and interest on outstanding bonds whenever enough funds are not available in the bond interest and redemption fund. The bond indentures require that the City accumulate reserves to an amount equal to the average annual principal and interest requirements of all outstanding bonds secured by the net revenues of the system. Such reserves are funded up to the required level in equal monthly installments over a maximum five-year period, as defined in the indentures. Amounts in the reserve fund at September 30, 2021, of $2,647,082 are adequate to meet the reserve requirements.

At September 30, 2021, restricted assets, which include amounts in the Water and Sewer Revenue Bond Debt Service and the Revenue Bond Reserve Fund, were as follows:

Revenue bond reserve fund	$ 2,020,203
Revenue bond debt service	626,879
	$ 2,647,082

Net position reserved for Water and Sewer revenue bond retirement is detailed as follows:

Restricted assets, revenue bond debt	
Service and reserve funds	$ 2,647,082
Accrued interest, payable from restricted assets	(327,319)
Current maturities of revenue bonds, payable from restricted assets	(1,555,000)
Reserved for water and sewer revenue bonds principal and interest	$ 764,763

The City complies with the various requirements of the bond ordinances.

Capital Leases

The City has acquired office equipment, a building, and land under various leases accounted for as capital leases. As of September 30, 2021, the capitalized costs of the governmental leased property and business-type leased property under capital leases were $223,214 and $850,166, respectively.

The terms of the leases range from 3 - 5 years and call for monthly and annual payments over the life of the leases. The future minimum lease payments under the capitalized leases and the net present value of the future minimum lease payments at September 30, 2021, are as follows:

Fiscal Year Ending	Governmental Activities			Business-type Activities		
September 30,	Principal	Interest	Total	Principal	Interest	Total
2022	$ 45,253	$ 3,008	$ 48,261	$ 159,565	$ 10,468	$ 170,033
2023	33,953	1,527	35,480	139,471	4,293	143,764
2024	23,332	320	23,652	10,908	1,514	12,422
2025	-	-	-	11,501	921	12,422
2026	-	-	-	11,090	296	11,386
Total	$ 102,538	$ 4,855	$ 107,393	$ 332,535	$ 17,492	$ 350,027

Operating Leases

The City leases machinery and equipment under non-cancelable operating leases. Total cost for such leases was $578,360 for the fiscal year ended September 30, 2021. Future minimum lease payments, by year and in the aggregate, under the non-cancelable lease commitments are as follows:

Fiscal Year Ending September 30,	Amount
2022	$ 518,269
2023	480,400
2024	396,982
2025	55,131
2026	24,795
Total	$ 1,475,577

Note 6. Interfund Transfers

All interfund transfers between the various funds are approved supplements to the operations of those funds. Individual fund operating transfers for fiscal year ended September 30, 2021, were as follows:

Fund	Transfers In	Transfers Out
Major Governmental Funds:		
General Fund	$ 5,119,962	$ 6,909,368
General Capital Projects	5,060,083	230,079
General Obligation Bonds	-	282,486
Total Major Governmental Funds	10,180,045	7,421,933
Nonmajor Governmental Funds:		
Special Revenue	-	56,835
Hotel Occupancy Tax	-	2,453
Total Nonmajor Governmental Funds	-	59,288
Major Enterprise Funds:		
Water and Sewer Fund	2,316,189	5,451,161
Solid Waste Fund	-	685,987
Drainage Utility Fund	-	413,691
Golf Course Fund	227,314	-
Total Major Enterprise Funds	2,543,503	6,550,839
Internal Service Funds:		
Replacement Fund	230,079	-
Facility Maintenance Fund	320,170	-
Risk Management Fund	758,263	-
Total Internal Service Funds	1,308,512	-
Total Transfers	$ 14,032,060	$ 14,032,060

Transfers are used to 1) move amounts from funds receiving administrative and operating support to the appropriate fund incurring the administrative and operating costs and 2) to move unrestricted funds to finance various programs that the City must account for in other funds in accordance with budgetary authorizations, including amounts provided as subsidies or matching funds for various grant programs and to support cash financing of capital projects.

The fund financial statements show:

- Governmental funds: Total transfer in of $10,180,045 into the governmental funds were made to fund capital projects, and provide funding for technology, procurement, human resources, building maintenance, financial, and administrative support. Transfers out totaling $7,481,221 includes cash financing for capital projects, operational support for the Golf Course, and support to programs recorded in non-major governmental and internal service funds.

- Proprietary funds: Total transfers in of $2,543,503 into the enterprise funds mainly represents amounts transferred into the Golf Course and Water and Sewer Funds to support operations. The total transfers out of $6,550,839 represents the amount provided by other funds for technology, procurement, human resources, building maintenance, financial and administrative support. The internal service funds total transfers in of $1,308,512 represents the amounts needed for repairs of aging facility infrastructure and risk administration support.

Note 7. Retirement Plan

Plan Description

The City participates as one of 895 plans in the nontraditional, joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401 (a) of the Internal Revenue Code. TMRS issues a publicly available comprehensive annual financial report that can be obtained at www.tmrs.com.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the City, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven actuarially equivalent payments options. Members may also choose to receive a portion of their benefit as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

A summary of plan provisions for the City are as follows:

Employee deposit rate	7%
Matching ratio (City to employee)	2 to 1
Years required for vesting	5
Service retirement eligibility	20 years at any age, 5 years at age 60 and above
Updated Service Credit	100% Repeating
Annuity Increase to retirees	70% of CPI Repeating

The City also participates in Social Security.

Employees Covered by Benefit Terms:

At the December 31, 2020, valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	275
Inactive employees entitled to, but not yet receiving benefits	505
Active employees	767
Total	1,547

Contributions

The contribution rates for employees in TMRS are either 5%, 6%, or 7% of employee gross earnings, and the city matching percentages are either 100%, 150%, or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the consulting actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City were required to contribute 7% of their annual gross earnings during the fiscal year. The actuarially determined contribution rates for retirement benefits for the City were 14.03%, 14.00% and 14.38% in calendar years 2019, 2020, and 2021, respectively. The City's contributions to TMRS for the years ended September 30, 2019, 2020, and 2021, were $7,736,900, $7,890,278 and $8,739,669, respectively, which were in excess of the required annual contribution for each year.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions

The Total Pension Liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.5% per year
Overall payroll growth	3.50% to 11.50% including inflation
Investment Rate of Return	6.75%, net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis by scale UMP to account for future mortality improvements. For disabled annuitants, the mortality tables for healthy retirees is used with a four-year set-forward for males and a three-year set-forward for females.

Actuarial assumptions used in the December 31, 2020, valuation were based on the results of actuarial experience studies. This experience study was for the period December 31, 2014 through December 31, 2018. Healthy post-retirement mortality rates and annuity purchase rates are based on a Mortality Experience Investigation Study covering 2014 through 2018, and dated December 31, 2019. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class in fiscal year 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)
Global Equity	30.0%	7.80%
Core Fixed Income	10.0%	3.80%
Non-Core Fixed Income	20.0%	6.60%
Real Estate	10.0%	6.50%
Real Return	10.0%	6.40%
Absolute Return	10.0%	6.00%
Private Equity	10.0%	10.30%
Total	100.0%	

Discount Rate

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a) - (b)
Balance at 12/31/2020	$ 232,630,122	$ 207,475,787	$ 25,154,335
Changes for the year:			
Service cost	9,715,534	-	9,715,534
Interest	15,828,804	-	15,828,804
Difference between expected and actual experience	(735,396)	-	(735,396)
Change in assumptions	-		-
Contributions - employer	-	8,425,764	(8,425,764)
Contributions - employee	-	3,850,652	(3,850,652)
Net investment income	-	15,770,860	(15,770,860)
Benefit payments, including refunds of employee contributions	(5,974,168)	(5,974,168)	-
Administrative expense	-	(101,906)	101,906
Other changes	-	(3,976)	3,976
Net changes	18,834,774	21,967,226	(3,132,452)
Balance at 12/31/2021	$ 251,464,896	$ 229,443,013	$ 22,021,883

Sensitivity of the net pension liability to changes in the discount rate

The following presents the net pension liability of the City, calculated using the discount rate of 6.75%, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease in Discount Rate (5.75%)	Discount Rate (6.75%)	1% Increase in Discount Rate (7.75%)
City's net pension liability	$ 62,513,800	$ 22,021,883	$ (10,794,703)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the City recognized pension expense in the amount of $6,337,540. At September 30, 2021, the City reported deferred outflows and inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,307,294	$ (584,664)
Changes in actuarial assumptions	240,362	-
Difference between projected and actual investment earnings	6,813,903	(12,695,167)
Contributions subsequent to the measurement date	6,034,428	-
Total	$ 14,395,987	$ (13,279,831)

Deferred outflows of resources in the amount of $6,034,428 related to pensions that resulted from contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability for the fiscal year ending September 30, 2022. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement year ending December 31:	
2021	$ (1,532,859)
2022	314,334
2023	(3,215,124)
2024	(484,623)
Total	$ (4,918,272)

Note 8. Water and Sewer Contracts

In 1972, the City entered a forty-year contract with the North Texas Municipal Water District (District) for the purchase of water. Under the terms of this contract, the City is obligated to make a minimum annual payment (adjusted annually) in return for a minimum volume of gallons of water per year. During 1998, the City was annexed into the North Texas Municipal Water District, which guaranteed the City a minimum volume of water. For the year ended September 30, 2021, the cost of water purchased under this contract was $17,743,394.

In 1978, the City entered a contract with the District for the transportation, treatment and disposal of sanitary sewage and other waste. The contract will continue in force at least until all bonds issued by the District pursuant to the contract have been paid in full and will remain in force thereafter throughout the useful life of the District's sanitary sewer system. The contract requires the City to pay varying amounts based on the costs associated with sewage transported and/or treated and disposed. The cost includes the City's proportionate share of the District's operating and maintenance expenses and related debt service costs. During fiscal year 2021, the cost for transportation, treatment and disposal of sewage and other wastes was $11,315,421.

Note 9. Deferred Compensation Plan

As a result of legislative changes, all amounts of compensation deferred, all property and rights purchased, and all income, property or rights are (until paid or made available to the employee or other beneficiary) held in trust for the exclusive benefit of the participants and their beneficiaries, whereas, prior to these legislative changes, these amounts were solely the property and rights of the City subject only to the claims of the City's general creditors. As a result, at September 30, 2021, the deferred compensation investments are not reported in the City's financial statements.

Note 10. Risk Management

Health and Dental Insurance

The City provides health and dental insurance benefits to City employees under a modified self-insurance plan. Under the plan, the City and the employee pay a portion of a predetermined monthly premium, which is based on the estimated claims cost for the plan and the extent of medical coverage selected by the employee. To cover annual costs, premium payments are reported as operating revenues of the Risk Management Fund and operating expenditures/expenses of the participating funds.

A commercial insurance carrier is utilized to adjudicate and pay medical claims on behalf of the City. The City's medical claims liability is limited by a stop loss insurance policy that covers individuals' medical claims in excess of $125,000 per plan year. Aggregate stop loss coverage of $2,000,000 per plan year provides protection to limit claim liability for the plan as a whole. The liabilities for insurance claims reported are based on GASB No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

These liabilities include an estimate for incurred but not reported claims. The estimated amount at September 30, 2021, was $1,066,722. Changes in the Risk Management liability during the past five fiscal years were as follows:

Year Ending September 30,	Balance at Beginning of Fiscal Year	Current Year Claims and Changes in Estimates	Claim Payments	Balance at End of Fiscal Year
2017	$ 1,073,336	$ 8,599,895	$ 8,512,397	$ 1,160,834
2018	1,160,834	7,857,200	7,953,825	1,064,209
2019	1,064,209	8,909,032	8,771,234	1,202,007
2020	1,202,007	8,285,276	8,433,972	1,053,311
2021	1,053,311	9,400,218	9,386,807	1,066,722

Workers Compensation & Property and Liability Insurance

The City participates in the Texas Municipal League Intergovernmental Risk Pool (TMLIRP) for workers' compensation claims, liability (general, automobile, law enforcement, and errors/omissions), and property insurance. The cost is based on the pool's claims cost, which is adjusted to reflect the City's individual claims experience. As claims arise they are submitted to and paid by TMLIRP. To cover annual costs, premium payments are reported as operating revenues of the Risk Management Fund and operating expenditures/expenses of the participating funds.

The City has a workers' compensation deductible of $25,000 per occurrence, with an annual aggregate deductible of $330,000. During fiscal 2021, the City contributed $930,016 to the Risk Management Fund for workers' compensation.

The City has various levels of insurance deductibles for property, liability, and automobile insurance with the maximum deductible set at $10,000. All insured claims are paid by TMLIRP, less the appropriate deductible. During fiscal 2021, the City contributed $1,083,224 for property and general liability.

Note 11. Postemployment Benefits Other Than Pensions (OPEB)

City of Allen Retiree Healthcare Plan:

Plan Description and Benefits Provided

In addition to the pension benefits described in Note 7, and as required by state law, the City provides post-retirement health care benefits for all permanent full-time employees through a single employer defined benefit medical plan. To be eligible under the plan, a participant must either attain age sixty (60) and at least five (5) years of TMRS service or be any age with twenty (20) or more years of service. Retirees must make a one-time irrevocable decision to continue benefits at the time of retirement, after which their eligibility for this benefit ends. The retiree benefit consists of medical, dental and vision care until age 65.

Employees who retired on or before December 31, 2012, were "grandfathered" in and allowed to pay the same blended medical premium rates as COBRA participants, which are the total cost of premiums (no City subsidy) plus 2% administration fees. The retirees are also subject to the same rate increases as COBRA participants. Employees who retire on or after January 1, 2013, can elect health care coverage but will be required to pay the (higher) unblended rate. Current OPEB benefits are made on a pay-as-you-go basis from the Risk Management Fund. During fiscal year ended September 30, 2021, retirees paid $59,766 in the form of premiums and incurred $224,512 in plan expenses.

Employees Covered by Benefit Terms

Membership in the defined benefit medical plan consisted of the following at the measurement date of September 30, 2021:

Inactive employees or beneficiaries currently receiving benefits	8
Inactive employees entitled to but not yet receiving benefits	-
Active plan members	723
Total members	731

City of Allen Retiree Healthcare Plan

Funding Policy

Due to the significant increase in retiree premium costs, the City elected to create a separate Other Postemployment Defined Benefit Medical Plan for retirees, effective January 1, 2013. The single employer defined benefit plan is created by City ordinance and appoints the City Manager as Plan Administrator for the program. The trust was established with Public Agency Retirement Services Company (PARS) and is used to accumulate resources to fund future benefits. However, it does not represent the activities of the plan. Related medical costs are incurred in and paid from the City's Risk Management Fund. The plan benefit provisions and obligations to contribute are established by City Council action and are actuarially determined.

Net OPEB Liability (Asset)

Actuarial Methods and Assumptions **-** The City's net OPEB liability (asset) was measured as of September 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date, which was rolled forward using standard update procedures to determine the September 30, 2021, total OPEB liability based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	October 1, 2019
Measurement Date	September 30, 2021
Discount Rate	4.00%
Inflation	2.25% per annum
Payroll Growth Rate	3.00% per annum, including inflation
Mortality, Non-Annuitants	Sex distinct headcount weighted PUB-2010 general and safety employees table, with mortality Improvement scale MP-2019
Mortality, Annuitants	Sex distinct headcount weighted PUB-2010 general retirees table, with mortality improvement scale MP-2019
Healthcare Trend	- Medical – 11.87% initial, decreasing to an ultimate rate of 4.60% in 2041 and later years. - Dental - 3.0%
Participation Rate	20% of participants eligible for medical or dental benefits upon retirement are assumed to elect coverage.
Investment Rate of Return	4.00%, net of OPEB plan investment expenses

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equities	20.0%	5.55%
Fixed Income	65.0%	2.16%
Private Equity	2.5%	7.80%
Real Estate	2.5%	5.90%
Cash	10.0%	1.10%
Total	100.0%	

Discount Rate **-** The current valuation is based upon last year's valuation results projected forward to the new Measurement Date of September 30, 2021.

Changes in the Net OPEB Liability (Asset)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a) - (b)
Balance at 09/30/2020	$ 621,958	$ 1,454,419	$ (832,461)
Changes for the year:			
Interest	21,215	-	21,215
Difference between expected and actual experience	-	-	-
Changes of assumptions	-	-	-
Net investment income	-	116,827	(116,827)
Benefit payments	(183,188)	(222,665)	39,477
Administrative expense	-	(8,523)	8,523
Net changes	(161,973)	(114,361)	(47,612)
Balance at 09/30/2021	$ 459,985	$ 1,340,058	$ (880,073)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate and Healthcare Cost Trend Rates

The following presents the net OPEB liability (asset) of the City for the City of Allen Retiree Healthcare Plan, as well as what the City's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate of 4.00%:

	1% Decrease in Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase in Discount Rate (5.00%)
City's net OPEB (Asset)	$ (858,842)	$ (880,073)	$ (899,980)

The following presents the net OPEB liability (asset) of the City for the City of Allen Retiree Healthcare Plan, as well as what the City's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease in Trend Rate (8.53%)	Healthcare Cost Trend Rate (9.53%)	1% Increase in Trend Rate (10.53%)
City's net OPEB (Asset)	$ (907,447)	$ (880,073)	$ (851,220)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the collective OPEB expense of the City of Allen Retiree Healthcare Plan was a credit of $68,635. At September 30, 2021, the City reported deferred outflows and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ (55,066)
Changes in actuarial assumptions	19,238	(111,008)
Difference between projected and actual investment earnings	-	(73,112)
Total	$ 19,238	$ (239,186)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows.

Measurement year ending September 30,	Annual Amortization
2022	$ (44,950)
2023	(43,024)
2024	(45,638)
2025	(37,074)
2026	(24,393)
Thereafter	(24,869)
Total	$ (219,948)

Supplemental Death Benefits Plan:

Program Description

The City also participates in the cost sharing multiple-employer defined benefit group-term life insurance plan administered by Texas Municipal Retirement System (TMRS), which is known as the Supplemental Death Benefits Fund (SDBF). The City elected, by ordinance, to provide group-term life insurance coverage to both current and retired employees. The City may terminate coverage under and discontinue participation in the SDBF by adopting an ordinance before November 1 of any year to be effective the following January 1.

The death benefit for active employees provides a lump-sum payment approximately equal to an employee's annual salary (calculated based on the employee's actual earnings for the 12-month period preceding the month of death). Retired employees are each insured for $7,500, and this coverage is reported as an "other postemployment benefit" or (OPEB). As the SDBF covers both active and retired participants, with no segregation of assets, the SDBF is considered as an unfunded OPEB plan (i.e. no assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75) for financial reporting.

Contributions and Funding Policy

The City contributes to the SDBF at a contractually required rate as determined by an annual actuarial valuation. The rate is equal to the cost of providing one-year term life insurance. The funding policy for the SDBF program is to assure that adequate resources are available to meet all death benefit payments for the upcoming year. The intent is to not pre-fund retiree term life insurance during employees' entire careers.

Contributions are made monthly based on the covered payroll of employee members of the participating member city. The contractually required contribution rate is determined annually for each city. The rate is based on the mortality and service experience of all employees covered by the SDBF and the demographics specific to the workforce of the City. There is a one-year delay between the actuarial valuation that serves as the basis for the employer contribution rate and the calendar year when the rate goes into effect. The funding policy of this plan is to assure that adequate resources are available to meet all death benefit payments for the upcoming year.

The retiree portion of contribution rates to the SDBF for the City was 0.01% for calendar years 2020, 2019, and 2018. The City's contributions to the TMRS SDBF for retirees for the fiscal years ended September 30, 2021, 2020, and 2019 were $18,595, $5,394, and $5,156, respectively, which were equal to the actuarially determined contribution (ADC) for each year.

Summary of Actuarial Assumptions and Other Inputs Used

Inflation	2.5 %
Salary Increases	3.5% to 10.5%, including inflation.
Discount Rate	2.00%
Retirees' share of benefit-related costs	$0.00
Administrative Expenses	All administrative expenses are paid through the Pension Trust and accounted for under reporting requirements under GASB Statement No. 68.
Mortality Rates – service retirees	2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP.
Mortality Rates – disabled retirees	2019 Municipal Retirees of Texas Mortality Tables with a 4 year set-forward for males and a 3 year set-forward for females. In addition, a 3.5% and 3% minimum mortality rate will be applied to reflect the impairment for younger members who become disabled for males and females, respectively. The rates are projected on a fully generational basis by Scale UMP to account for future mortality improvements subject to the floor.

Note: The actuarial assumptions used in the December 31, 2020, valuation was based on the results of an actuarial experience study for the period December 31, 2014, to December 31, 2018.

Employees Covered by Benefit Terms*

At December 31, 2020, the actuarial valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	194
Inactive employees entitled to, but not yet receiving benefits	105
Active employees	767
Total	1,066

Changes in total OPEB Liability

Total OPEB Liability – beginning of year	$	1,749,844
Changes for the year:		
Service Cost		126,390
Interest on Total OPEB Liability		49,783
Differences between expected and actual experience		(78,736)
Changes in assumptions or other inputs		315,925
Benefit payments		(5,495)
Net Change		407,867
Total OPEB Liability - end of year	$	2,157,711

The City's total OPEB liability of $2,157,711 was measured at December 31, 2020, and determined by an actuarial valuation as of that date. Accordingly, no roll-forward is required.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.00%) or 1-percentage-point higher (3.00%) than the current discount rate:

	1.0% Decrease in Discount Rate (1.00%)	Current Discount Rate (2.00%)	1.0% Increase in Discount Rate (3.00%)
Total OPEB Liability	$ 2,691,339	$ 2,157,711	$ 1,749,553

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2021, the City recognized OPEB expense of $245,361. OPEB expense recognized is as follows

Components of OPEB Expense:		
Service Cost	$	126,390
Interest on Total OPEB Liability		49,783
Differences between expected and actual experience		(23,278)
Change in assumptions or other input		92,466
Total OPEB Expense	$	245,361

At September 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred outflows of Resources	Deferred inflows of Resources
Contributions made subsequent to measurement date	$ 17,010	$ -
Differences between expected and actual experience	58,312	(197,684)
Changes in assumptions or other inputs	549,262	(63,945)
Total	$ 624,584	$ (261,629)

Deferred outflows of resources in the amount of $17,010 related to OPEB that resulted from contributions made subsequent to the measurement date but before September 30, 2021, will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Year Ending September 30,	Net deferred outflows/ (inflows) of resources
2022	$ 69,188
2023	69,188
2024	69,188
2025	52,843
2026	51,945
Thereafter	33,593
Total	$ 345,945

Combined Totals for Retiree Healthcare Plan and Supplemental Death Benefits Plan

The combined totals for the two OPEB plans are as follows:

	Retiree Healthcare Plan	SDBF	Total
OPEB asset	$ 880,073	$ -	$ 880,073
OPEB liability	-	(2,157,711)	(2,157,711)
Deferred inflows	(239,186)	(261,629)	(500,815)
Deferred outflows	19,238	624,584	643,822
OPEB expense (credit)	(68,635)	245,361	176,726

Note 12. Tax Abatements and Economic Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax, and enhance the property tax base and economic vitality of the City. These programs abate or rebate property and sales taxes and include incentive payments and rebates of fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code, Chapter 311 (Tax Increment Financing Act), and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact, or community impact of the project requesting assistance. Recipients of assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions that may require repayment or termination if recipients do not meet the required provisions of the economic incentives. The following are the three categories of economic development agreements City has contracted:

General Economic Development -The City, Allen Economic Development Corporation, and Allen Community Development Corporation enter into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property taxes or sales tax received, may result in fee reductions or rebates, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. During fiscal year 2021, the City rebated $5,468,474 in taxes and rebated fees of $219,501 under these agreements.

Additionally, for fiscal year 2021, the Allen Economic Development Corporation rebated taxes in the amount of $177,893 and made incentive payments of $5,874,795, while the Allen Community Development Corporation rebated taxes in the amount of $177,893.

Tax Abatements -Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer pays taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were $226,850 for the fiscal year ended September 30, 2021.

Tax Increment Financing -The City has adopted two Tax Increment Financing (TIF) zones under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements that earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. Additionally, the City may enter into general economic development agreements, under Chapter 380 of the Texas Local Government Code, which are funded with TIF resources. The City made $810,767 in payments for TIF obligations during fiscal year 2021.

Note 13. Commitments and Contingent Liabilities

Federal Grants -The City participates in several State and Federal assisted grant programs. Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies, principally the Federal Government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

Litigation The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's legal counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City.

Economic Development Grant -The City has several economic development agreements whereby the City has agreed to pay a grant(s) to a developer and/or business in return for the design, construction, operating, and/or managing of the business within the City of Allen. All grants are performance based and do not constitute liabilities on the City's financial records.

Required Supplementary Information

CITY OF ALLEN

City of Allen, Texas **Exhibit A-1**

Schedule of Changes in Total OPEB Liability and Related Ratios -
Supplemental Death Benefits Fund
Last Four Measurement Years

	2020*	2019*	2018*	2017*
Total OPEB liability:				
Service cost	$ 126,390	$ 94,165	$ 97,628	$ 83,658
Interest (on the total pension liability)	49,783	56,186	45,926	42,992
Changes in benefit terms	-	-	-	-
Difference in expected and actual experience	(78,736)	(183,037)	101,506	-
Change in assumptions or other inputs	315,925	317,781	(111,311)	121,271
Benefit payments **	(5,495)	(5,231)	(4,881)	(4,648)
Net change in total OPEB liability	407,867	279,864	128,868	243,273
Total OPEB liability, beginning of year	1,749,844	1,469,980	1,341,112	1,097,839
Total OPEB liability, end of year	$ 2,157,711	$ 1,749,844	$ 1,469,980	$ 1,341,112
Covered-employee payroll	$ 54,952,114	$ 52,314,010	$ 48,814,159	$ 46,476,391
Total OPEB liability as a percentage of covered-employee payroll	3.93%	3.34%	3.01%	2.89%

Notes to Schedule:

* GASB 75 requires 10 fiscal years of data to be provided in this schedule. However, information for additional years will be displayed as it becomes available.

** Due to the SDBP being considered an unfunded plan under GASB 75, benefit payments are treated as being equal to the employer's yearly contributions for retirees.

There are no assets accumulated in trust to pay related benefits for the OPEB Plan.

City of Allen, Texas **Exhibit A-2**

Schedule of OPEB Contributions -
Supplemental Death Benefits Fund
Last Four Fiscal Years

	Fiscal Year Ended September 30,			
	2021*	2020*	2019*	2018*
Actuarially determined contributions	$ 18,595	$ 5,394	$ 5,156	$ 4,778
Contributions in relation to actuarially determined contribution	18,595	5,394	5,156	4,778
Contributions deficiency (excess)	$ -	$ -	$ -	$ -
Covered-employee payroll	$ 58,367,657	$ 53,937,361	$ 51,562,996	$ 47,782,955
Contributions as a percentage of covered-employee payroll	0.03%	0.01%	0.01%	0.01%

Notes to Schedule of OPEB Contributions

GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

GASB 75, paragraph 57, requires that the data in this schedule be presented as of the City's fiscal year as opposed to the time period covered by the measurement date.

City of Allen, Texas **Exhibit A-3**

Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios -
Defined Benefit Retiree Healthcare Plan
Last Four Measurement Years

	Measurement Year Ended September 30,			
	2021*	2020*	2019*	2018*
Total OPEB liability				
Service cost		$ -	$ -	$ -
Interest (on the total OPEB liability)	21,215	29,520	38,887	41,469
Changes in benefit terms	-	-	-	-
Difference in expected and actual experience	-	(5,299)	-	(91,701)
Change in assumptions	-	(120,997)	28,859	(30,415)
Benefit payments	(183,188)	(49,154)	(155,176)	29,767
Net change in total OPEB liability	(161,973)	(145,930)	(87,430)	(50,880)
Total OPEB liability, beginning of year	621,958	767,888	855,318	906,198
Total OPEB liability, end of year (a)	$ 459,985	$ 621,958	$ 767,888	$ 855,318
Plan fiduciary net position:				
Contributions -employer	$ -	$ -	$ -	$ -
Contributions -employee	-	-	-	-
Net investment income	116,827	99,920	66,177	94,484
Benefit payments	(222,665)	(212,086)	(142,438)	(252,781)
Administrative expense	(8,523)	(9,065)	(8,119)	(10,442)
Net change in plan fiduciary net position	(114,361)	(121,231)	(84,380)	(168,739)
Plan fiduciary net position - beginning	1,454,419	1,575,650	1,660,030	1,828,769
Plan fiduciary net position - ending (b)	$ 1,340,058	$ 1,454,419	$ 1,575,650	$ 1,660,030
Plan Net OPEB liability (asset) - ending (a) - (b)	$ (880,073)	$ (832,461)	$ (807,762)	$ (804,712)
Plan fiduciary net position as a % of total OPEB liability	291.33%	233.85%	205.19%	194.08%
Covered payroll	$ 58,367,657	$ 53,973,541	$ 47,857,137	$ 41,451,256
Net OPEB liability (asset) as a % of covered payroll	-1.51%	-1.54%	-1.69%	-1.94%

Notes to Schedule:

Benefit changes. There have been no material benefit changes during the valuation periods shown above.

Changes in assumptions. There have been no material benefit changes during the valuation period.

***** GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be displayed as it becomes available.

City of Allen, Texas **Exhibit A-4**

Schedule of OPEB Contributions -
Defined Benefit Retiree Healthcare Plan
Last Four Fiscal Years

	Fiscal Year Ended September 30,			
	2021*	2020*	2019*	2018*
Actuarially determined contributions	$ -	$ -	$ -	$ -
Contributions in relation to actuarially determined contribution	-	-	-	-
Contributions deficiency (excess)	$ -	$ -	$ -	$ -
Covered payroll	$ 58,367,657	$ 53,973,541	$ 47,857,137	$ 41,451,256
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%

* GASB 75 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

Notes to Schedule of OPEB Contributions

Valuation Date:	The Actuarially Determined Contribution is the sum of the current year's normal cost plus an amount necessary to amortize the unfunded liability over a closed 19-year period. Actuarial valuations have been performed biennially as of October 1. The most recent valuation was performed as of October 1, 2019.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level dollar
Amortization Period	N/A
Asset Valuation Method	Market value of assets
Inflation	2.5% per annum
Healthcare cost trend rates	11.87% initial, decreasing to an ultimate rate of 4.60% in the year 2041
Investment Rate of Return	4.0%, net of OPEB plan investment expense
Retirement Age	Rates are the same as those used for the TMRS retirement plan
Mortality	Sex distinct headcount weighted PUB-2010 general safety employees mortality tables and general retirees table in conjunction with martality improvement scale MP-2019

City of Allen, Texas **Exhibit A-5**

Schedule of Changes in Net Pension Liability and Related Ratios – Retirement Plan (TMRS)

Last Seven Measurement Years

	Measurement Year Ended September 30,						
	2014*	2015*	2016*	2017*	2018*	2019*	2020*
Total pension liability:							
Service cost	$ 6,407,942	$ 7,377,440	$ 7,740,829	$ 8,091,540	$ 8,503,427	$ 9,118,332	$ 9,715,534
Interest (on the total pension liability)	9,749,386	10,562,818	11,165,087	12,232,446	13,379,960	14,492,431	15,828,804
Changes in benefit terms	-	-	-	-	-	-	-
Difference in expected and actual experience	(1,791,341)	196,259	894,580	1,293,282	(680)	1,564,808	-
Change in assumptions	-	(231,950)	-	-	-	409,038	(735,396)
Benefit payments, including refunds of employee contributions	(3,213,118)	(3,247,435)	(3,902,489)	(4,423,768)	(5,222,230)	(6,195,996)	(5,974,169)
Net change in total pension liability	11,152,869	14,657,132	15,898,007	17,193,500	16,660,477	19,388,613	18,834,773
Total pension liability, beginning of year	137,679,525	148,832,394	163,489,526	179,387,533	196,581,033	213,241,510	232,630,123
Total pension liability, end of year	$ 148,832,394	$ 163,489,526	$ 179,387,533	$ 196,581,033	$ 213,241,510	$ 232,630,123	$ 251,464,896
Plan fiduciary net position:							
Contributions -employer	$ 5,455,902	$ 6,063,051	$ 6,473,617	$ 7,130,557	$ 7,423,200	$ 8,050,585	$ 8,425,764
Contributions -employee	2,754,779	3,021,766	3,129,050	3,274,594	3,423,774	3,661,981	3,850,652
Net investment income	6,648,346	188,559	9,039,319	20,569,321	(5,239,779)	27,097,746	15,770,860
Benefit payments, including refunds of employee contributions	(3,213,118)	(3,247,435)	(3,902,489)	(4,423,768)	(5,222,230)	(6,195,996)	(5,974,168)
Administrative expense	(69,397)	(114,830)	(102,024)	(106,520)	(101,162)	(152,888)	(101,906)
Other	(5,706)	(5,671)	(5,497)	(5,400)	(5,285)	(4,592)	(3,976)
Net change in plan fiduciary net position	11,570,806	5,905,440	14,631,976	26,438,784	278,518	32,456,836	21,967,226
Plan fiduciary net position - beginning	116,193,427	127,764,233	133,669,673	148,301,649	174,740,433	175,018,951	207,475,787
Plan fiduciary net position - ending	$ 127,764,233	$ 133,669,673	$ 148,301,649	$ 174,740,433	$ 175,018,951	$ 207,475,787	$ 229,443,013
Net pension liability - ending	$ 21,068,161	$ 29,819,853	$ 31,085,884	$ 21,840,600	$ 38,222,559	$ 25,154,336	$ 22,021,883
Plan fiduciary net position as a % of total pension liability	85.84%	81.76%	82.67%	88.89%	82.08%	89.19%	91.24%
Covered payroll	$ 39,335,988	$ 43,142,910	$ 44,410,952	$ 46,476,391	$ 48,814,159	$ 52,314,010	$ 54,952,114
Net pension liability as a % of covered payroll	53.56%	69.12%	70.00%	46.99%	78.30%	48.08%	40.07%

* GASB 68 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

City of Allen, Texas

Exhibit A-6

Schedule of Contributions – Retirement Plan (TMRS)
Last Seven Fiscal Years

	Fiscal Year Ended September 30,						
	2015*	2016*	2017*	2018*	2019*	2020*	2021*
Actuarially determined contributions	$ 5,785,220	$ 6,028,939	$ 6,217,858	$ 6,678,295	$ 7,228,643	$ 7,555,689	$ 8,333,070
Actual contributions	(5,797,651)	(6,181,797)	(6,545,488)	(6,927,485)	(7,736,900)	(7,890,278)	(8,739,669)
Contributions deficiency (excess)	$ (12,431)	$ (152,858)	$ (327,630)	$ (249,190)	$ (508,257)	$ (334,589)	$ (406,599)
Covered payroll	$ 40,985,314	$ 43,564,466	$ 45,962,313	$ 47,782,955	$ 51,562,996	$ 53,937,361	$ 58,367,657
Ratio of actual contributions to covered payroll amount	14.15%	14.19%	14.24%	14.50%	15.00%	14.63%	14.97%

***** GASB 68 requires 10 fiscal years of data to be provided in this schedule.
However, information for additional years will be presented as it becomes available.

Notes to Schedule

Valuation Date:

Actuarial determined contribution rates are calculated as of December 31st each year and become effective in January 13 months later.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	25 years
Asset Valuation Method	10 year smoothed market; 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014 - 2018
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other information:	There were no benefit changes during the year.

City of Allen, Texas **Exhibit A-7**

General Fund Schedule of Revenues, Expenditures,
and Changes in Fund Balances – Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts			Variance With Final Budget - Positive
	Original	Final	Actual	(Negative)
REVENUES				
Ad valorem taxes, penalties and interest	$ 57,080,458	$ 57,082,725	$ 56,379,891	$ (702,834)
Municipal sales tax	19,994,676	22,631,828	25,344,374	2,712,546
Franchise taxes	7,047,870	6,962,773	6,669,763	(293,010)
Licenses, permits and fees	3,016,875	3,516,380	3,805,840	289,460
Charges for services	9,885,131	6,723,000	6,521,194	(201,806)
Fines	1,653,590	960,112	1,076,468	116,356
Gifts and contributions	924,683	971,410	1,180,503	209,093
Intergovernmental	254,152	1,012,727	4,181,326	3,168,599
Investment earnings	580,541	676,522	86,598	(589,924)
Miscellaneous	2,157,453	2,149,436	2,323,395	173,959
Total revenues	102,595,429	102,686,913	107,569,352	4,882,439
EXPENDITURES				
Current:				
General government	20,160,917	20,760,826	20,744,905	15,921
Public safety	48,737,335	50,339,296	49,836,540	502,756
Public works	6,678,564	6,923,852	6,664,683	259,169
Culture and recreation	27,222,151	24,998,348	23,950,848	1,047,500
Community development	3,778,111	3,873,928	3,590,155	283,773
Capital Outlay	33,478	138,164	250,793	(112,629)
Total expenditures	106,610,556	107,034,414	105,037,924	1,996,490
Excess (deficiency) of revenues over (under) expenditures	(4,015,127)	(4,347,501)	2,531,428	6,878,929
OTHER FINANCING SOURCES (USES)				
Transfers in	5,075,327	5,205,717	5,119,962	(85,755)
Transfers out	(1,070,200)	(4,112,224)	(6,909,368)	(2,797,144)
Capital lease obligations	-	-	100,674	100,674
Sale of capital assets	10,000	12,000	23,451	11,451
Total other financing sources (uses)	4,015,127	1,105,493	(1,665,281)	(2,770,774)
NET CHANGE IN FUND BALANCE	-	(3,242,008)	866,147	4,108,155
FUND BALANCES, BEGINNING OF YEAR	26,898,146	26,898,146	26,898,146	-
FUND BALANCES, END OF YEAR	$ 26,898,146	$ 23,656,138	$ 27,764,293	$ 4,108,155

City of Allen, Texas **Exhibit A-8**

Grants Fund Schedule of Revenues, Expenditures,
and Changes in Fund Balances – Budget and Actual
For the Year Ended September 30, 2021

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental	$ 837,079	$ 4,384,078	$ 2,935,303	$ (1,448,775)
Investment earnings	4,812	10,555	-	(10,555)
Total revenues	841,891	4,394,633	2,935,303	(1,459,330)
EXPENDITURES				
Current:				
Public safety	9,974	19,974	19,091	883
Public works	706,987	4,203,717	2,843,298	1,360,419
Culture and recreation	2,350	31,090	30,789	301
Community development	102,757	62,206	62,206	-
Total expenditures	822,068	4,316,987	2,955,384	1,361,603
Excess (deficiency) of revenues over (under) expenditures	19,823	77,646	(20,081)	(97,727)
OTHER FINANCING SOURCES (USES)				
Transfers in	3,077	3,077	-	(3,077)
Transfers out	-	(85,755)	-	85,755
Total other financing sources (uses)	3,077	(82,678)	-	82,678
NET CHANGE IN FUND BALANCE	22,900	(5,032)	(20,081)	(15,049)
FUND BALANCES, BEGINNING OF YEAR	281,538	281,538	281,538	-
FUND BALANCES, END OF YEAR	$ 304,438	$ 276,506	$ 261,457	$ (15,049)

Budgetary Information

The City Council adheres to the following procedures in establishing the budgets reflected in the financial statements:

1. Each year the City Manager is required to submit to the City Council a proposed budget for the fiscal year beginning on the following October 1. The operating budget includes proposed expenditures and the means of financing them.

2. Public hearings are conducted to obtain taxpayers' comments.

3. Prior to each October 1, the budget is legally enacted by the City Council through passage of an ordinance.

4. Annual budgets are legally adopted for the General Fund, Grants Fund and Debt Service Fund on a basis consistent with accounting principles generally accepted in the United States of America. Formal budgetary integration is not employed for proprietary funds. However, the City adopts an annual budget for those funds for managerial control purposes.

5. The City Manager is authorized to adjust budgeted amounts. However, such revisions may not result in total expenditures (appropriations) in excess of budgeted expenditures without approval of the City Council. Therefore, the legal level of budgetary control is the combined total budgeted expenditures for all fund types.

6. Formal budgetary integration is not employed for Special Revenue Funds, Proprietary Funds or Capital Projects Funds. However, the City also adopts an annual budget for those funds for managerial control purposes.

7. Budgetary data for the non-major Special Revenue Funds and Capital Projects Funds has not been presented in the accompanying basic financial statements because such funds are budgeted over the life of the respective grant or project and not on an annual basis. Budgetary information for the Proprietary Funds has not been presented since reporting on such budgets is not legally required.

The Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual — General Fund and Grants Fund present a comparison of budgetary data to actual results. The General Fund and Grants Fund utilizes the same basis of accounting for both budgetary purposes and actual results.

CITY OF ALLEN

Combining and Budgetary Comparison Schedules

Major Governmental Funds

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for and the payment of general obligation bonds, certificate of obligation bonds, and interest from governmental resources.

City of Allen, Texas **Exhibit B-1**

Budgetary Comparison Schedule
Debt Service Fund
For the Year Ended September 30, 2021

	Budgeted Amounts			Variance With Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Ad valorem taxes	$ 13,869,057	$ 13,869,057	$ 13,629,728	$ (239,329)
Gifts and contributions		115,675	115,675	-
Investment earnings	175,651	58,300	10,144	(48,156)
Total revenues	14,044,708	14,043,032	13,755,547	(287,485)
EXPENDITURES				
Principal retirement	10,932,278	11,083,297	11,049,141	34,156
Interest and fiscal charges	3,618,095	4,324,745	3,737,148	587,597
Total expenditures	14,550,373	15,408,042	14,786,289	621,753
Excess (deficiency) of revenues over (under) expenditures	(505,665)	(1,365,010)	(1,030,742)	334,268
OTHER FINANCING SOURCES (USES)				
Issuance of refunding bonds	-	6,340,000	6,340,000	-
Premium on issuance of bonds	-	855,617	855,617	-
Payment to refund bond escrow agent	-	(7,105,226)	(7,105,226)	-
Total other financing sources (uses)	-	90,391	90,391	-
NET CHANGE IN FUND BALANCES	(505,665)	(1,274,619)	(940,351)	334,268
FUND BALANCE, BEGINNING OF YEAR	1,858,730	1,858,730	1,858,730	-
FUND BALANCE, END OF YEAR	$ 1,353,065	$ 584,111	$ 918,379	$ 334,268

NONMAJOR GOVERNMENTAL FUNDS

SPECIAL REVENUE FUNDS

Hotel Occupancy Tax Fund – To account for funds received from hotel occupancy tax and expend as allowed by state law.

Asset Forfeiture Fund –- To account for activities associated with assets legally seized and forfeited.

Special Revenue Fund – To account for monies that have external legal restrictions associated with their use.

Gift Permanent Fund – To account for funds received through substantial gifts from the public.

Park Dedication Fund – To account for funds received and expended for the acquisition of additional park land and for the development of neighborhood parks.

Tax Increment Financing Fund – To account for the tracking of property tax and sales tax revenue and associated expenses for the City's Tax Increment Financing agreements.

City of Allen, Texas **Exhibit B-2**

Combining Balance Sheet
Nonmajor Governmental Funds
September 30, 2021

	Special Revenue						
	Hotel Occupancy Tax	Asset Forfeiture	Special Revenue	Gift Permanent	Park Dedication	Tax Increment Financing	Total Non-major Governmental Funds
ASSETS							
Cash and cash equivalents	$ 809,579	$ 76,373	$ 671,922	$ 168,086	$ 664,341	$ 3,016,171	$ 5,406,472
Investments	1,324,927	98,665	1,099,644	275,084	1,087,237	4,895,187	8,780,744
Accounts receivable	119,905	-	36,071	-	-	-	155,976
Accrued interest	5,388	401	4,472	1,119	4,422	19,909	35,711
TOTAL ASSETS	$ 2,259,799	$ 175,439	$ 1,812,109	$ 444,289	$ 1,756,000	$ 7,931,267	$ 14,378,903
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts payable	$ 41,026	$ 10,815	$ 24,688	$ 775	$ 10,442	$ -	$ 87,746
Accrued liabilities	15,461	20,673	-	-	-	-	36,134
TOTAL LIABILITIES	56,487	31,488	24,688	775	10,442	-	123,880
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - interest	808	-	-	-	-	-	808
TOTAL DEFERRED INFLOWS OF RESOURCES	808	-	-	-	-	-	808
FUND BALANCES							
Restricted							
Tourism	2,202,504	-	-	-	-	-	2,202,504
Asset forfeiture	-	143,951	-	-	-	-	143,951
Park acquisition and development	-	-	-	-	1,745,558	-	1,745,558
Tax increment financing agreement	-	-	-	-	-	7,931,267	7,931,267
Court technology	-	-	150,492	-	-	-	150,492
Juvenile case manager	-	-	6,835	-	-	-	6,835
PEG fees	-	-	1,162,109	-	-	-	1,162,109
Radio system	-	-	455,114	-	-	-	455,114
Court security	-	-	12,871	-	-	-	12,871
Public safety and library enhancements	-	-	-	443,514	-	-	443,514
TOTAL FUND BALANCES	2,202,504	143,951	1,787,421	443,514	1,745,558	7,931,267	14,254,215
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	$ 2,259,799	$ 175,439	$ 1,812,109	$ 444,289	$ 1,756,000	$ 7,931,267	$ 14,378,903

City of Allen, Texas **Exhibit B-3**

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended September 30, 2021

	SPECIAL REVENUE						
	Hotel Occupancy Tax	Asset Forfeiture	Special Revenue	Gift Permanent	Park Dedication	Tax Increment Financing	Total Non-major Governmental Funds
REVENUES							
Ad valorem taxes, penalties and interest	$ -	$ -	$ -	$ -	$ -	$ 1,816,066	$ 1,816,066
Franchise taxes	-	-	151,975	-	-	-	151,975
Municipal sales tax	-	-	-	-	-	255,571	255,571
Licenses, permits, and fees	-	-	-	-	703,695	-	703,695
Fines	-	-	94,910	-	-	-	94,910
Hotel / motel taxes	1,337,147	-	-	-	-	-	1,337,147
Intergovernmental	37,308	-	-	-	-	147,948	185,256
Investment earnings	9,353	1,472	15,627	6,567	25,199	56,493	114,711
Miscellaneous	-	73,367	-	-	-	-	73,367
Total revenues	1,383,808	74,839	262,512	6,567	728,894	2,276,078	4,732,698
EXPENDITURES							
General government	-	-	102,778	-	-	840,768	943,546
Public safety	-	61,763	-	11,380	-	-	73,143
Culture and recreation	1,707,066	-	-	-	-	-	1,707,066
Capital outlay	-	10,995	28,526	8,995	45,353	-	93,869
Total expenditures	1,707,066	72,758	131,304	20,375	45,353	840,768	2,817,624
Excess (deficiency) of revenues over (under) expenditures	(323,258)	2,081	131,208	(13,808)	683,541	1,435,310	1,915,074
OTHER FINANCING SOURCES (USES)							
Transfers out	(2,453)	-	(56,835)	-	-	-	(59,288)
Sale of capital assets	-	14,564	-	-	-	-	14,564
Total other financing sources (uses)	(2,453)	14,564	(56,835)	-	-	-	(44,724)
NET CHANGE IN FUND BALANCES	(325,711)	16,645	74,373	(13,808)	683,541	1,435,310	1,870,350
FUND BALANCES, BEGINNING OF YEAR	2,528,215	127,306	1,713,048	457,322	1,062,017	6,495,957	12,383,865
FUND BALANCES, END OF YEAR	$ 2,202,504	$ 143,951	$ 1,787,421	$ 443,514	$ 1,745,558	$ 7,931,267	$ 14,254,215

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for financing of services provided by one department to other departments of the City on a cost-reimbursement basis.

Replacement Fund - accounts for the costs associated with the acquisition of vehicles, machinery, and equipment through the rental of such items to other departments.

Risk Management Fund – accounts for the costs associated with workers compensation, liability and property insurance and medical and dental programs established for City employees and their covered dependents.

Facility Maintenance Fund - The Facility Maintenance Fund accumulates resources to address large repairs and aging facility infrastructure. The accumulation of resources will help address major building repairs and prevent building deterioration.

City of Allen, Texas **Exhibit C-1**

Combining Statement of Net Position
Internal Service Funds
September 30, 2021

	Replacement Fund	Risk Management Fund	Facility Maintenance Fund	Totals
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	$ 7,154,654	$ 4,341,170	545,751	$ 12,041,575
Investments	11,705,002	6,482,833	893,156	19,080,991
Accounts receivable	-	30,514	-	30,514
Accrued interest receivable	47,605	26,365	3,632	77,602
Total current assets	18,907,261	10,880,882	1,442,539	31,230,682
CAPITAL ASSETS				
Machinery and equipment	5,801,606	-	-	5,801,606
Vehicles	18,261,748	-	-	18,261,748
Accumulated depreciation	(16,139,356)	-	-	(16,139,356)
Capital assets, net of accumulated depreciation	7,923,998	-	-	7,923,998
TOTAL ASSETS	26,831,259	10,880,882	1,442,539	39,154,680
LIABILITIES AND NET POSITION				
LIABILITIES				
Accounts payable	39,108	75,148	172,626	286,882
Accrued liabilities	-	74	-	74
Incurred but not reported claims	-	1,066,722	-	1,066,722
TOTAL LIABILITIES	39,108	1,141,944	172,626	1,353,678
NET POSITION				
Net investment in capital assets	7,923,998	-	-	7,923,998
Unrestricted	18,868,153	9,738,938	1,269,913	29,877,004
TOTAL NET POSITION	$ 26,792,151	$ 9,738,938	$ 1,269,913	$ 37,801,002

City of Allen, Texas **Exhibit C-2**

Combining Statement of Revenues, Expenses,
and Changes in Fund Net Position
Internal Service Funds
For the Year Ended September 30, 2021

	Replacement Fund	Risk Management Fund	Facility Maintenance Fund	Totals
OPERATING REVENUES				
Charges for services	$ 3,749,984	$ 13,083,287	$ -	$ 16,833,271
Other income	22,527	457,208	490,231	969,966
Total operating revenues	3,772,511	13,540,495	490,231	17,803,237
OPERATING EXPENSES				
Personal services	-	455,630	-	455,630
Contractual services	-	13,014,843	-	13,014,843
Maintenance	-	-	1,292,127	1,292,127
Supplies	8,410	-	-	8,410
Depreciation	2,492,198	-	-	2,492,198
Total operating expenses	2,500,608	13,470,473	1,292,127	17,263,208
OPERATING INCOME (LOSS)	1,271,903	70,022	(801,896)	540,029
NON-OPERATING REVENUES				
Investment earnings	167,021	68,285	11,798	247,104
Gain on disposal of capital assets	287,160	-	-	287,160
Total non-operating revenues	454,181	68,285	11,798	534,264
INCOME (LOSS) BEFORE TRANSFERS	1,726,084	138,307	(790,098)	1,074,293
TRANSFERS				
Transfers in	230,079	758,263	320,170	1,308,512
Total transfers	230,079	758,263	320,170	1,308,512
CHANGE IN FUND NET POSITION	1,956,163	896,570	(469,928)	2,382,805
NET POSITION, BEGINNING OF YEAR	24,835,988	8,842,368	1,739,841	35,418,197
NET POSITION, END OF YEAR	$ 26,792,151	$ 9,738,938	$ 1,269,913	$ 37,801,002

City of Allen, Texas **Exhibit C-3**

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended September 30, 2021

	Replacement Fund	Risk Management Fund	Facility Maintenance Fund	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash received from transactions with other funds	$ 3,772,511	$ 13,532,922	$ -	$ 17,305,433
Cash paid to employees for services	-	(442,414)	-	(442,414)
Cash paid for goods and services	(294,927)	(4,536,791)	(675,369)	(5,507,087)
Cash paid for claims	-	(8,420,561)	-	(8,420,561)
Net cash provided by (used in) operating activities	3,477,584	133,156	(675,369)	2,935,371
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES				
Transfers in	230,079	758,263	320,170	1,308,512
Transfers out	-	-	-	-
Net cash provided by non-capital financing activities	230,079	758,263	320,170	1,308,512
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of capital assets	(1,469,382)	-	-	(1,469,382)
Proceeds from sale of capital assets	311,959	-	-	311,959
Net cash used in capital and related financing activities	(1,157,423)	-	-	(1,157,423)
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchase of investment securities	(3,599,376)	(344,936)	(135,079)	(4,079,391)
Interest on investments	171,532	80,470	14,918	266,920
Net cash used in investing activities	(3,427,844)	(264,466)	(120,161)	(3,812,471)
NET CHANGE IN CASH AND CASH EQUIVALENTS	(877,604)	626,953	(475,360)	(726,011)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	8,032,258	3,714,217	1,021,111	12,767,586
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 7,154,654	$ 4,341,170	$ 545,751	$ 12,041,575
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES				
Net operating income (loss)	$ 1,271,903	$ 70,022	$ (801,896)	$ 540,029
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	2,492,198	-	-	2,492,198
Change in assets and liabilities:				
Accounts receivable	-	(7,573)	-	(7,573)
Prepaids	-	251,600	-	251,600
Liabilities	(286,517)	(180,893)	126,527	(340,883)
Total adjustments	2,205,681	63,134	126,527	2,395,342
Net cash provided by (used in) operating activities	$ 3,477,584	$ 133,156	$ (675,369)	$ 2,935,371
NON-CASH INVESTING ACTIVITIES				
Change in the fair value of investments	$ (116,626)	$ (88,667)	$ (10,951)	$ (216,244)

Discretely Presented Component Units

Allen Economic Development Corporation (AEDC) – AEDC is a legally separate entity from the City and is responsible for aiding, promoting and furthering economic development within the City.

Allen Community Development Corporation (ACDC) – ACDC is a legally separate entity from the City and is responsible for supporting the improvements in community parks and recreation, streets and sidewalks, public safety and the community library.

City of Allen, Texas **Exhibit D-1**

Balance Sheet
Allen Economic Development Corporation
September 30, 2021

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	5,664,150
Investments		8,214,700
Sales tax receivable		2,174,355
Accrued interest receivable		33,409
TOTAL ASSETS	$	16,086,614
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	$	67,670
Accrued and other liabilities		623,421
TOTAL LIABILITIES		691,091
FUND BALANCE		
Restricted		
Debt service		644,683
Unassigned		14,750,840
TOTAL FUND BALANCE		15,395,523
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	16,086,614

City of Allen, Texas **Exhibit D-2**

Reconciliation of the Governmental Fund Balance Sheet
to the Statement of Net Position
Allen Economic Development Corporation
September 30, 2021

Total fund balance of governmental fund balance sheet	$	15,395,523
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred charges on refunding represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		321,470
Interest payable on long-term debt does not require current financial resources. Accordingly, interest payable is not reported as a liability on the governmental funds balance sheet.		(39,533)
Long-term liabilities, including bonds payable are not due and payable in the current period and, accordingly, are not reported in the fund financial statements.		(12,709,494)
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and, accordingly, are not reported on the governmental funds balance sheet.		19,677,641
Net position of governmental activities	$	22,645,607

City of Allen, Texas **Exhibit D-3**

Statement of Revenues, Expenditures,
and Change in Fund Balance
Allen Economic Development Corporation
For the Year Ended September 30, 2021

REVENUES		
Sales and other taxes	$	12,567,041
Investment earnings		140,326
Miscellaneous		14,579
Total revenues		12,721,946
EXPENDITURES		
Current:		
Economic development		7,700,090
Capital projects:		
Economic development		684,018
Debt service:		
Principal retirement		1,858,453
Interest and fiscal charges		542,803
Total expenditures		10,785,364
Excess of revenues over expenditures		1,936,582
OTHER FINANCING SOURCES		
Issuance of debt		2,295,000
Total other financing sources		2,295,000
NET CHANGE IN FUND BALANCE		4,231,582
FUND BALANCE, BEGINNING OF YEAR		11,163,941
FUND BALANCE, END OF YEAR	$	15,395,523

City of Allen, Texas **Exhibit D-4**

Reconciliation of the Governmental Funds Statement
of Revenues, Expenditures, and Change in Fund Balance
to the Statement of Activities
Allen Economic Development Corporation
For the Year Ended September 30, 2021

Net change in fund balance - total governmental fund			$ 4,231,582
Amounts reported for governmental activities in the statement of activities are different because:			
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.			684,018
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Accordingly, depreciation expense is not reported as expenditures in the governmental funds.			(50,205)
The payment of the principal of long-term debt consumes the current financial resources of governmental funds. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements:			
Bonds issued	$	(2,295,000)	
Bond principal retirement		1,205,000	
Note principal retirement		653,453	
Amortization of bond premiums		132,358	
Amortization of deferred charges on refunding		(54,333)	(358,522)
Current year changes in accrued interest payable do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.			4,383
Change in net position of governmental activities			$ 4,511,256

City of Allen, Texas **Exhibit D-5**

Balance Sheet
Allen Community Development Corporation
September 30, 2021

ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	$	9,660,181
Investments		15,469,321
Sales tax receivable		2,174,355
Accrued interest receivable		62,913
TOTAL ASSETS	$	27,366,770
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE		
CURRENT LIABILITIES		
Accounts payable	$	197,758
Retainage payable		77,122
TOTAL LIABILITIES		274,880
FUND BALANCES		
Restricted		
Debt service		207,883
Unassigned		26,884,007
TOTAL FUND BALANCE		27,091,890
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$	27,366,770

City of Allen, Texas **Exhibit D-6**

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
Allen Community Development Corporation
September 30, 2021

Total governmental fund balance	$	27,091,890
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred charges on refunding represent a consumption of net position that applies to future periods and, therefore, will not be recognized as an outflow of resources until then. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.		324,053
Interest payable on long-term debt does not require the use of current financial resources, and, accordingly, is not reported as a liability on the governmental fund balance sheet.		(49,645)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the fund financial statements.		(22,530,000)
Capital assets (net of accumulated depreciation) used in governmental activities are not current financial resources and, therefore, are not reported on the governmental fund balance sheet.		46,806,105
Net position of governmental activities	$	51,642,403

City of Allen, Texas **Exhibit D-7**

Statement of Revenues, Expenditures,
and Change in Fund Balance
Allen Community Development Corporation
For the Year Ended September 30, 2021

REVENUES		
Sales and other taxes	$	12,567,041
Investment earnings		212,370
Total revenues		12,779,411
EXPENDITURES		
Current:		
Community development		1,706,741
Capital projects:		
Community development		1,898,344
Debt service:		
Principal retirement		1,785,000
Interest and fiscal charges		627,616
Total expenditures		6,017,701
Excess of revenues over expenditures		6,761,710
OTHER FINANCING SOURCES		
Proceeds from sale of capital assets		10,050
Total other financing sources (uses)		10,050
NET CHANGE IN FUND BALANCE		6,771,760
FUND BALANCE, BEGINNING OF YEAR		20,320,130
FUND BALANCE, END OF YEAR	$	27,091,890

City of Allen, Texas **Exhibit D-8**

Reconciliation of the Governmental Fund Statement
of Revenues, Expenditures, and Change in Fund Balance
to the Statement of Activities
Allen Community Development Corporation
For the Year Ended September 30, 2021

Net change in fund balance - total governmental fund	$	6,771,760
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		1,898,344
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued. However, these amounts are amortized in the government-wide financial statements.		(81,013)
Current year changes in accrued interest payable do not require the use of current financial resources and, accordingly, are not reported as expenditures in governmental funds.		2,594
Depreciation expense on capital assets is reported in the statement of activities but does not require the use of current financial resources. Accordingly, depreciation expense is not reported as expenditures in the governmental funds.		(3,492,622)
Repayment of the principal on long-term debt consumes the current financial resources of governmental funds. However, these transactions have no effect on net position.		1,785,000
Change in net position of governmental activities	$	6,884,063

CITY OF ALLEN

Statistical Section
(Unaudited)

CITY OF ALLEN

STATISTICAL SECTION

This part of the City of Allen's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, notes disclosures, and required supplementary information says about the City's overall financial health. This information has not been audited by the independent auditor.

Contents	Table #s
Financial Trends These tables contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	**1, 2, 3 & 4**
Revenue Capacity These tables contain information to help the reader assess the City's two most significant local revenue sources, the property and sales taxes.	**5, 6, 7 & 8**
Debt Capacity These tables present information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	**9, 10, 11 & 12**
Economic and Demographic Information These tables offer economic and demographic indicators to help the reader understand the environment within which the City's financial activities take place.	**13 & 14**
Operating Information These tables contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides.	**15, 16 & 17**

Source: Unless otherwise noted, the information in these tables is derived from the comprehensive annual financial reports for the relevant year. The City implemented GASB Statement 34 in fiscal year 2003: tables presenting government-wide information include information beginning in that year.

City of Allen, Texas **Table 1**

Net Position by Component
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	$ 373,586,071	$ 369,314,466	$ 363,168,607	$ 355,756,224	$ 364,667,251	$ 366,322,218	$ 379,153,944	$ 391,261,029	$ 392,368,425	$ 388,795,081
Restricted	21,042,413	26,511,231	26,066,205	31,476,026	32,485,173	38,303,226	39,588,223	44,872,796	13,891,413	14,807,800
Unrestricted	8,054,347	8,960,703	12,436,903	16,596,955	14,435,604	15,902,576	15,312,432	20,238,419	57,821,649	72,520,903
Total governmental net position	$ 402,682,831	$ 404,786,400	$ 401,671,715	$ 403,829,205	$ 411,588,028	$ 420,528,020	$ 434,054,599	$ 456,372,244	$ 464,081,487	$ 476,123,784
Business-type activities										
Net investment in capital assets	$ 99,960,794	$ 99,544,466	$ 100,991,443	$ 102,340,588	$ 106,174,191	$ 107,926,811	$ 103,762,241	$ 113,459,625	$ 113,355,391	$ 113,396,556
Restricted for debt service	428,646	364,510	26,859	344,421	216,664	195,485	46,350	571,053	513,520	764,763
Unrestricted	31,346,727	33,860,716	32,720,930	34,165,174	33,592,809	31,920,455	43,785,615	40,240,619	50,803,699	56,890,299
Total business-type net position	$ 131,736,167	$ 133,769,692	$ 133,739,232	$ 136,850,183	$ 139,983,664	$ 140,042,751	$ 147,594,206	$ 154,271,297	$ 164,672,610	$ 171,051,618
Primary government										
Net investment in capital assets	$ 473,546,865	$ 468,858,932	$ 464,160,050	$ 458,096,812	$ 470,841,442	$ 474,249,029	$ 482,916,185	$ 504,720,654	$ 505,723,816	$ 502,191,637
Restricted for debt service	21,471,059	26,875,741	26,093,064	31,820,447	32,701,837	38,498,711	39,634,573	45,443,849	14,404,933	15,572,563
Unrestricted	39,401,074	42,821,419	45,157,833	50,762,129	48,028,413	47,823,031	59,098,047	60,479,038	108,625,348	129,411,202
Total primary government net position	$ 534,418,998	$ 538,556,092	$ 535,410,947	$ 540,679,388	$ 551,571,692	$ 560,570,771	$ 581,648,805	$ 610,643,541	$ 628,754,097	$ 647,175,402

Source: City of Allen Annual Comprehensive Financial Reports

City of Allen, Texas **Table 2**

Changes in Net Position
Last Ten Fiscal Years
(Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental activities:										
General government	$ 18,347,067	$ 22,271,050	$ 24,940,939	$ 24,464,246	$ 25,304,811	$ 28,251,550	$ 26,764,210	$ 21,238,061	$ 24,937,087	$ 22,940,360
Public safety	28,675,146	28,935,911	30,408,487	31,607,444	35,199,937	39,624,788	39,213,768	44,993,635	47,369,212	49,532,988
Public works	17,681,730	17,807,948	18,252,130	18,349,569	19,083,214	20,209,785	24,161,991	27,039,953	22,393,268	19,661,514
Culture and recreation	32,112,451	29,983,224	30,987,689	32,407,934	32,851,598	28,968,534	33,791,438	33,287,645	29,015,632	29,359,242
Community development	2,527,518	2,230,968	2,689,517	2,861,704	3,251,555	3,007,047	3,079,242	3,160,050	5,238,233	6,330,539
Interest on long-term debt	4,539,622	4,067,303	3,955,305	3,921,989	3,356,234	2,980,513	2,920,824	2,888,831	2,745,698	3,103,192
Total governmental activities expenses	103,883,534	105,296,404	111,234,067	113,612,886	119,047,349	123,042,217	129,931,473	132,608,175	131,699,130	130,927,835
Business-type activities:										
Water and sewer	26,359,698	29,160,281	30,081,379	32,304,628	35,604,182	39,527,816	41,134,685	44,511,123	45,524,999	46,442,937
Solid waste	5,429,049	5,495,654	5,383,215	5,560,294	5,870,269	6,078,853	6,223,788	6,248,035	6,525,391	6,824,441
Drainage	882,726	910,179	951,973	914,322	1,146,138	1,193,057	1,260,262	1,396,935	1,555,570	1,497,014
Golf Course	1,179,015	2,483,467	2,839,098	2,911,476	3,089,041	3,135,144	3,397,180	3,332,927	3,166,856	3,557,076
Total business-type activities expenses	33,850,488	38,049,581	39,255,665	41,690,720	45,709,630	49,934,870	52,015,915	55,489,020	56,772,816	58,321,468
Total primary government expenses	$ 137,734,022	$ 143,345,985	$ 150,489,732	$ 155,303,606	$ 164,756,979	$ 172,977,087	$ 181,947,388	$ 188,097,195	$ 188,471,946	$ 189,249,303
Program Revenues										
Governmental activities:										
Charges for Services:										
General government	$ 712,432	$ 675,196	$ 823,801	$ 705,064	$ 467,786	$ 497,243	$ 525,542	$ 500,122	$ 509,691	$ 598,846
Public safety	1,577,643	1,541,985	1,568,294	1,647,407	1,801,984	2,712,076	2,171,332	1,954,810	2,189,114	2,063,311
Public works	137,357	196,685	154,418	233,808	210,687	293,559	1,333,506	1,485,962	725,209	587,112
Culture and recreation	8,019,145	8,443,286	8,425,791	9,177,211	10,289,465	8,747,206	9,803,084	9,744,309	3,793,429	4,649,476
Community development	1,265,485	2,220,438	3,103,410	3,021,708	3,216,799	4,266,140	4,025,326	4,798,471	2,530,977	4,024,897
Operating grants and contributions	1,504,355	2,067,482	1,121,356	1,749,567	1,557,260	2,443,054	2,423,768	2,056,001	3,427,631	4,874,743
Capital grants and contributions	26,626,381	14,737,780	9,571,206	10,552,610	16,039,869	15,327,094	18,942,856	19,888,044	10,639,664	8,535,198
Total governmental activities program revenues	39,842,798	29,882,852	24,768,276	27,087,375	33,583,850	34,286,372	39,225,414	40,427,719	23,815,715	25,333,583
Business-type activities:										
Charges for services:										
Water and sewer	28,693,707	30,808,084	28,955,282	34,135,714	36,335,868	37,163,882	42,453,681	43,103,920	49,461,636	49,099,338
Solid waste	6,040,165	6,114,951	6,309,729	6,474,386	6,687,182	6,735,559	6,933,356	7,006,423	7,116,831	7,039,328
Drainage	1,338,680	1,352,671	1,378,662	1,465,044	1,519,405	1,648,681	1,907,407	1,763,694	2,162,770	1,826,950
Golf Course	59,054	1,924,706	2,537,564	2,361,384	2,705,799	2,959,361	2,810,424	3,138,144	3,199,136	4,196,161
Operating grants and contributions	1,000,000	1,000,000	1,000,000	1,000,000	-	-	-	-	-	-
Capital grants and contributions	7,151,043	3,788,300	3,685,960	4,416,642	6,172,301	5,622,911	9,734,528	10,175,397	8,332,962	5,695,888
Total business-type activities program revenues	44,282,649	44,988,712	43,867,197	49,853,170	53,420,555	54,130,394	63,839,396	65,187,578	70,273,335	67,857,665
Total primary government program revenues	$ 84,125,447	$ 74,871,564	$ 68,635,473	$ 76,940,545	$ 87,004,405	$ 88,416,766	$ 103,064,810	$ 105,615,297	$ 94,089,050	$ 93,191,248
									(continued)	(continued)

City of Allen, Texas

Table 2

Changes in Net Position
Last Ten Fiscal Years (Continued)
(Accrual Basis of Accounting)
(Unaudited)

Net (Expenses) Revenue										
Governmental activities	$ (64,040,736)	$ (75,413,552)	$ (86,465,791)	$ (86,525,511)	$ (85,463,499)	$ (88,755,845)	$ (90,706,059)	$ (92,180,456)	$ (107,883,415)	$ (105,594,252)
Business-type activities	10,432,161	6,939,131	4,611,532	8,162,450	7,710,925	4,195,524	11,823,481	9,698,558	13,500,519	9,536,197
Total primary government net expenses	$ (53,608,575)	$ (68,474,421)	$ (81,854,259)	$ (78,363,061)	$ (77,752,574)	$ (84,560,321)	$ (78,882,578)	$ (82,481,898)	$ (94,382,896)	$ (96,058,055)
General Revenues and Other Changes in Net Assets										
Governmental activities:										
Taxes:										
Property taxes	$ 42,042,753	$ 44,474,745	$ 46,232,565	$ 50,143,986	$ 54,102,952	$ 58,816,876	$ 63,929,379	$ 68,865,078	$ 70,917,335	$ 71,946,802
Sales taxes	15,038,519	16,289,761	18,004,636	18,141,683	19,274,983	19,450,088	20,717,505	21,648,401	21,686,335	25,599,945
Franchise taxes	6,150,419	6,302,018	6,973,705	7,412,447	7,295,931	7,553,013	7,990,092	7,810,093	7,454,713	6,821,738
Hotel / Motel taxes	1,229,996	1,350,286	1,499,512	1,544,160	1,607,263	1,547,244	1,487,066	1,759,159	1,156,398	1,337,147
Other taxes	1,622,633	1,389,503	2,151,232	1,851,397	1,621,012	1,912,559	1,704,227	2,204,220	1,195,296	1,171,378
Investment earnings	538,863	177,495	416,828	689,736	735,832	837,577	944,196	4,048,112	4,246,550	1,118,970
Gain on disposition of capital assets	40,509	92,401	-	-	-	263,627	446,117	-	144,347	322,084
Miscellaneous	1,802,747	2,079,082	2,445,491	2,650,103	3,794,277	2,703,964	3,592,229	3,460,124	4,188,530	5,311,149
Transfers	5,377,207	5,361,830	5,627,137	6,249,489	4,790,072	4,610,889	4,398,244	4,702,914	4,603,154	4,007,336
Total governmental activities	73,843,646	77,517,121	83,351,106	88,683,001	93,222,322	97,695,837	105,209,055	114,498,101	115,592,658	117,636,549
Business-type activities:										
Investment earnings	197,613	70,382	134,988	194,051	197,125	199,508	210,045	1,284,728	1,140,957	398,387
Gain on disposition of capital assets	-	-	-	-	15,503	-	13,228	-	9,713	7,585
Miscellaneous	411,268	385,842	850,157	1,003,939	-	274,944	21,030	396,719	353,278	444,175
Transfers	(5,377,207)	(5,361,830)	(5,627,137)	(6,249,489)	(4,790,072)	(4,610,889)	(4,398,244)	(4,702,914)	(4,603,154)	(4,007,336)
Total business-type activities	(4,768,326)	(4,905,606)	(4,641,992)	(5,051,499)	(4,577,444)	(4,136,437)	(4,153,941)	(3,021,467)	(3,099,206)	(3,157,189)
Total primary government	$ 69,075,320	$ 72,611,515	$ 78,709,114	$ 83,631,502	$ 88,644,878	$ 93,559,400	$ 101,055,114	$ 111,476,634	$ 112,493,452	$ 114,479,360
Change in Net Position										
Governmental activities	$ 9,802,910	$ 2,103,569	$ (3,114,685)	$ 2,157,490	$ 7,758,823	$ 8,939,992	$ 14,502,996	$ 22,317,645	$ 7,709,243	$ 12,042,297
Business-type activities	5,663,835	2,033,525	(30,460)	3,110,951	3,133,481	59,087	7,669,540	6,677,091	10,401,313	6,379,008
Total primary government	$ 15,466,745	$ 4,137,094	$ (3,145,145)	$ 5,268,441	$ 10,892,304	$ 8,999,079	$ 22,172,536	$ 28,994,736	$ 18,110,556	$ 18,421,305

Source: City of Allen Annual Comprehensive Financial Reports

City of Allen, Texas **Table 3**

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Nonspendable	$ 2,081	$ 2,098	$ 4,767	$ 1,486	$ 2,129	$ 126,833	$ 25,747	$ 209,323	$ 8,777	$ 145,700
Restricted	513,801	726,953	752,238	779,185	907,908	58,910	59,386	61,304	63,185	63,627
Assigned	133,478	851,564	748,200	921,030	-	2,000,000	-	-	-	-
Unassigned	15,857,642	14,672,989	17,368,187	18,407,873	20,911,943	19,684,053	23,626,108	25,744,069	26,826,184	27,554,966
Total General Fund	$ 16,507,002	$ 16,253,604	$ 18,873,392	$ 20,109,574	$ 21,821,980	$ 21,869,796	$ 23,711,241	$ 26,014,696	$ 26,898,146	$ 27,764,293
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 751	$ 751	$ 751
Restricted	26,297,587	34,132,037	42,149,113	51,398,430	46,610,702	57,540,668	27,922,044	31,444,917	46,411,439	72,968,241
Assigned	-	-	-	-	-	-	28,349,191	32,023,933	34,703,219	42,842,631
Unassigned (deficit)	-	-	-	-	-	-	(4,428)	-	-	
Total all other governmental funds	$ 26,297,587	$ 34,132,037	$ 42,149,113	$ 51,398,430	$ 46,610,702	$ 57,540,668	$ 56,266,807	$ 63,469,601	$ 81,115,409	$ 115,811,623

Source: City of Allen Annual Comprehensive Financial Reports

City of Allen, Texas **Table 4**

Changes in Fund Balances - Governmental Funds
Last Ten Fiscal Years
(Modified Accrual Basis of Accounting)
(Unaudited)

	Fiscal Year Ended September 30									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
REVENUES										
Ad valorem taxes	$ 42,045,252	$ 44,725,261	$ 46,142,222	$ 50,177,840	$ 54,104,132	$ 58,875,936	$ 63,775,055	$ 68,884,826	$ 71,018,733	$ 71,825,685
Municipal sales tax	15,038,519	16,289,761	18,004,636	18,141,683	19,274,983	19,450,088	20,717,504	21,648,401	21,686,335	25,599,945
Franchise taxes	6,150,419	6,302,018	6,973,705	7,412,447	7,295,931	7,553,013	7,990,092	7,810,093	7,454,713	6,821,738
Licenses, permits and fees	1,215,677	2,294,955	2,915,533	3,134,551	3,064,580	4,450,639	4,494,361	5,279,425	3,341,367	4,509,535
Charges for services	10,051,684	10,623,970	10,580,553	11,734,344	13,002,770	11,664,328	13,442,785	13,586,474	6,845,248	8,061,820
Fines	1,648,194	1,402,725	2,160,168	1,805,230	1,579,628	1,851,735	1,710,354	2,214,571	1,195,296	1,171,378
Gifts and contributions	1,443,766	1,322,228	819,408	1,012,103	832,211	712,437	852,322	1,585,613	821,914	1,296,178
Hotel / motel fees	1,229,996	1,350,286	1,499,512	1,544,160	1,607,263	1,547,244	1,487,066	1,758,858	1,156,398	1,337,147
Intergovernmental	4,637,343	5,267,026	1,704,404	3,570,737	2,645,089	1,927,567	3,555,241	1,258,398	4,210,605	9,506,946
Investment earnings	440,065	144,604	344,386	577,014	627,760	643,928	851,954	3,280,340	3,648,787	877,724
Miscellaneous	2,241,166	2,671,410	3,394,197	3,420,441	3,711,870	3,428,366	3,276,677	3,106,994	3,896,892	4,725,411
Total revenues	86,142,081	92,394,244	94,538,724	102,530,550	107,746,217	112,105,281	122,153,411	130,413,993	125,276,288	135,733,507
EXPENDITURES										
General government	17,145,603	21,785,677	23,544,055	23,996,598	24,101,637	27,182,391	26,141,256	19,902,542	23,770,757	22,222,641
Public safety	27,291,201	28,317,603	29,214,552	30,731,310	32,966,265	37,294,550	38,524,578	43,283,984	45,372,064	49,928,774
Public works	4,104,118	4,055,500	4,077,961	4,888,798	4,865,431	5,428,996	8,899,247	11,194,393	10,342,827	11,430,042
Culture and recreation	22,460,071	20,864,140	21,435,581	22,540,516	24,287,382	23,745,884	29,714,212	30,044,660	24,910,955	25,883,652
Community development	2,406,485	2,211,253	2,631,289	2,880,880	2,833,011	2,951,864	3,076,260	3,161,679	3,254,786	3,590,155
Capital outlay	7,972,159	6,123,786	6,573,002	6,555,445	15,408,293	7,053,863	13,114,988	11,921,047	9,458,085	8,483,652
Debt service										
Principal retirement	7,634,130	7,964,914	8,364,986	9,322,537	9,135,000	10,445,000	11,181,377	11,382,162	11,094,986	11,049,141
Interest and fiscal charges	4,562,965	3,955,639	3,882,394	3,931,548	3,801,812	3,378,943	3,461,414	3,407,768	3,414,094	3,737,148
Total expenditures	93,576,732	95,278,512	99,723,820	104,847,632	117,398,831	117,481,491	134,113,332	134,298,235	131,618,554	136,325,205
Excess (deficiency) of revenues over (under) expenditures	(7,434,651)	(2,884,268)	(5,185,096)	(2,317,082)	(9,652,614)	(5,376,210)	(11,959,921)	(3,884,242)	(6,342,266)	(591,698)
OTHER FINANCING SOURCES (USES)										
Refunding bonds issued	13,940,000	-	-	32,245,000	6,910,000	-		1,660,000	7,730,000	6,340,000
Premium on bonds issued	2,296,042	350,071	432,879	3,772,133	1,039,610	955,225	978,386	9,570,000	4,034,604	6,881,772
Issuance of debt	-	5,065,000	10,595,000	-	1,940,000	11,845,000	8,355,000	894,793	18,830,000	27,200,000
Capital lease obligations	29,905	-	-	-	1,700,000	-	75,622	(1,675,000)	-	100,674
Payment to refund bond escrow agent	(16,050,003)	-	-	(28,097,931)	(7,789,058)	-	-	33,908	(8,595,000)	(7,105,226)
Transfer in	7,074,436	9,598,187	9,257,105	9,711,565	9,137,082	9,805,859	9,682,182	11,412,228	7,388,801	10,180,045
Transfer out	(3,599,726)	(4,571,226)	(4,484,282)	(4,847,771)	(6,384,490)	(6,295,989)	(6,639,012)	(8,554,069)	(4,554,357)	(7,481,221)
Proceeds from sale of capital assets	9,622	23,288	21,258	19,585	24,148	43,897	85,327	38,631	37,476	38,015
Total other financing sources	3,700,276	10,465,320	15,821,960	12,802,581	6,577,292	16,353,992	12,537,505	13,380,491	24,871,524	36,154,059
NET CHANGE IN FUND BALANCES	$ (3,734,375)	$ 7,581,052	$ 10,636,864	$ 10,485,499	$ (3,075,322)	$ 10,977,782	$ 577,584	$ 9,496,249	$ 18,529,258	$ 35,562,361
Debt service as a percentage of noncapital expenditures	14.3%	13.4%	13.2%	13.6%	12.7%	12.5%	12.1%	12.1%	11.9%	11.6%

Source: City of Allen Annual Comprehensive Financial Reports

City of Allen, Texas **Table 5**

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Unaudited)

	Estimated Market Value				
Fiscal Year Ended September 30,	Real Property	Personal Property	Less: Tax-Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2012	7,721,491,897	496,008,713	615,320,140	7,602,180,470	0.55300
2013	7,810,983,131	833,800,673	643,485,592	8,001,298,212	0.55200
2014	8,197,352,931	789,414,854	613,723,945	8,373,043,840	0.55000
2015	9,347,795,862	885,946,440	1,071,401,599	9,162,340,703	0.54000
2016	10,892,510,607	949,453,680	1,665,547,504	10,176,416,783	0.53000
2017	12,247,829,044	1,019,719,862	1,799,062,766	11,468,486,140	0.52000
2018	13,546,087,428	1,031,270,509	1,878,212,643	12,699,145,294	0.51000
2019	14,696,634,742	1,158,167,450	1,903,666,393	13,951,135,799	0.49800
2020	15,295,656,455	1,233,701,862	2,005,309,071	14,524,049,246	0.48900
2021	15,713,691,463	1,149,504,775	1,960,955,511	14,902,240,727	0.48500

Sources: City of Allen Budget Documents
Collin Central Appraisal District

City of Allen, Texas **Table 6**

Direct and Overlapping Property Tax Rates (Per $100 Of Assessed Value)
Last Ten Fiscal Years
(Unaudited)

	City Direct Rates			Overlapping Rates				Fiscal Year Ended September 30
Fiscal Year Ended September 30,	Operating/ General Rate	General Obligation Debt Service	Total Direct	Allen Independent School District	Plano Independent School District	McKinney Independent School District	Collin County	Collin County Community College District
2012	0.40533	0.14767	0.55300	1.67000	1.37340	1.54000	0.24000	0.08630
2013	0.40506	0.14694	0.55200	1.67000	1.37340	1.54000	0.24000	0.08630
2014	0.40912	0.14088	0.55000	1.67000	1.45300	1.67000	0.23750	0.08364
2015	0.39836	0.14164	0.54000	1.64000	1.44800	1.67000	0.23500	0.08196
2016	0.40627	0.12373	0.53000	1.61000	1.43900	1.67000	0.22500	0.08196
2017	0.39627	0.12373	0.52000	1.59000	1.43900	1.62000	0.20840	0.08122
2018	0.39274	0.11726	0.51000	1.57000	1.43900	1.62000	0.19225	0.07981
2019	0.39346	0.10454	0.49800	1.55000	1.43900	1.59000	0.18079	0.08122
2020	0.38704	0.10196	0.48900	1.45890	1.33735	1.48835	0.17495	0.08122
2021	0.39052	0.09448	0.48500	1.43250	1.32375	1.47470	0.17253	0.08122

Source: Collin Central Appraisal District

City of Allen, Texas **Table 7**

Principal Property Taxpayers
Current Year and Nine Years Ago
(Unaudited)

2021			2012		
Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[a]	Taxpayer	Taxable Assessed Value	Percentage of Total City Taxable Assessed Value[b]
VAA Improvements LLC	$ 160,680,000	1.08%	Village At Allen LP	$ 139,937,198	1.84%
Watters Creek Owner LLC	131,784,891	0.88%	Coventry II DDR/Trademark Montgomery Farm	121,100,000	1.59%
Allen Premium Outlets LP	125,013,767	0.84%	Chelsea Allen Development LP	69,572,529	0.92%
AT&T Mobility LLC	91,336,469	0.61%	AT&T Mobility LLC	68,724,058	0.90%
Cisco Systems Inc	86,864,604	0.58%	AT&T Services Inc	35,779,841	0.47%
Creekside Acquisition LP	72,386,126	0.49%	Oncor Electric Delivery Company	35,050,834	0.46%
C1-Allen LLC	64,602,702	0.43%	Cisco Systems Inc	34,775,058	0.46%
AT&T Services Inc	64,451,682	0.43%	Lexington Allen LP	31,100,000	0.41%
DD Andrews Parkway 10.495 LLC	63,427,998	0.43%	BH Benton Pointe Apartments LLC	30,366,237	0.40%
Benton Pointe LP	62,985,867	0.42%	BH Settler's Gate Apartments LP	28,601,556	0.38%
Total	$ 923,534,106	6.20%	Total	$ 595,007,311	7.84%
Total Assessed Valuation	$ 14,902,240,727	100.00%	Total Assessed Valuation	$ 7,602,180,470	100.00%

Source: Collin Central Appraisal District

Notes: [a]Taxpayers are assessed on January 1, 2020 (2020 tax year) for the 2021 fiscal year.

[b]Taxpayers are assessed on January 1, 2011 (2011 tax year) for the 2012 fiscal year.

City of Allen, Texas **Table 8**

Ad Valorem Tax Levies and Collections
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Total Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2012	$ 42,945,211	$ 41,817,303	97.37 %	$ 515,154	$ 42,332,458	98.57
2013	44,390,125	44,005,302	99.13 %	364,253	44,369,555	99.95
2014	46,466,114	45,924,321	98.83 %	525,339	46,449,660	99.96
2015	49,958,933	49,472,535	99.03 %	471,929	49,944,464	99.97
2016	54,342,759	53,821,573	99.04 %	508,664	54,330,237	99.98
2017	58,617,868	58,282,589	99.43 %	335,279	58,617,868	100.00
2018	63,184,129	62,950,713	99.63 %	198,737	63,149,451	99.95
2019	67,684,728	67,511,154	99.74 %	28,986	67,540,140	99.79
2020	70,617,878	70,550,256	99.90 %	(255,760)	70,294,496	99.54
2021	71,909,214	71,715,864	99.73 %	-	71,715,864	99.73

Source: Collin County Tax Assessor

City of Allen, Texas **Table 9**

Ratio of Outstanding Debt by Type
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Governmental Activities				Business-Type Activities		Percentage of Personal Income[a]	Per Capita[a]
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Other Obligations	Water and Sewer Revenue Bonds	Other Obligations		
2012	$ 99,365,000	$ 1,060,000	$ -	$ 1,957,998	$ 10,535,000	$ (74,053)	3.42%	1,281
2013	96,735,000	800,000	-	2,433,439	9,370,000	456,061	2.96%	1,224
2014	99,245,000	530,000	-	4,615,649	8,015,000	691,493	3.19%	1,241
2015	95,690,000	490,000	-	7,258,749	6,735,000	596,700	2.81%	1,188
2016	93,920,844	450,000	1,940,000	1,700,000	5,760,000	448,387	2.73%	1,102
2017	96,184,995	405,000	1,255,000	1,250,000	4,760,000	282,326	2.60%	1,043
2018	94,460,400	-	635,000	864,245	13,850,800	719,391	2.34%	1,077
2019	91,466,739	-	2,600,000	75,991	16,637,388	569,182	2.37%	1,039
2020	98,980,840	-	4,920,000	46,005	21,581,071	423,155	2.58%	1,149
2021	92,417,888	28,278,061	3,580,000	102,538	32,435,106	332,535	3.26%	1,452

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.
[a]See Table 13 for personal income and population data.

City of Allen, Texas **Table 10**

Ratio of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	General Bonded Debt Outstanding				Percentage of Actual Taxable Value of Property[a]	Per Capita[b]
	General Obligation Bonds	Certificates of Obligation	Tax Notes	Total		
2012	$ 99,365,000	$ 1,060,000	$ -	$ 100,425,000	1.32%	$ 1,140
2013	96,735,000	800,000	-	97,535,000	1.22%	1,087
2014	99,245,000	530,000	-	99,775,000	1.19%	1,095
2015	95,690,000	490,000	-	96,180,000	1.05%	1,031
2016	93,920,844	450,000	-	94,370,844	0.93%	998
2017	96,184,995	405,000	1,255,000	97,844,995	0.85%	980
2018	94,460,400	-	635,000	95,095,400	0.75%	927
2019	91,466,739	-	2,600,000	94,066,739	0.67%	878
2020	98,980,840	-	4,920,000	103,900,840	0.72%	948
2021	92,417,888	28,278,061	3,580,000	124,275,949	0.83%	1,149

Notes: Details regarding the city's outstanding debt can be found in the notes to the financial statements.

[a]See Table 5 for property value data.

[b]See Table 13 for population data.

City of Allen, Texas **Table 11**

Direct and Overlapping Governmental Activities Debt
as of September 30, 2021
(Unaudited)

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable (**a**)	Estimated Share of Direct and Overlapping Debt
Debt repaid with property taxes:			
Allen I.S.D.	$ 630,085,730	90.31%	$ 569,030,423
Plano I.S.D.	625,625,000	0.85%	5,317,813
McKinney I.S.D.	517,065,000	0.14%	723,891
Lovejoy I.S.D.	148,362,326	10.45%	15,503,863
Collin County	526,975,000	10.09%	53,171,778
Collin College	514,470,000	10.09%	51,910,023
Subtotal, overlapping debt			$ 695,657,790
City of Allen direct debt outstanding	$ 124,378,487	100.00%	124,378,487
Total Direct and Overlapping Debt			$ 820,036,277

Source: Taxable value data used to estimated applicable percentages provided by Collin Central Appraisal District. Net Bonded Debt Outstanding and Percentage of debt obtained from the Texas Municipal Report ("TMR") that was prepared by the Municipal Advisory Council of Texas ("MAC").

Notes: (**a**) The percentage of applicable overlapping debt is estimated using taxable property values. Applicable percentages were estimated by determining the portion of the county's taxable assessed value that is within the City of Allen's boundaries and dividing it by the county's total taxable assessed value.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. This does not imply that every taxpayer is a resident and therefore responsible for repaying the debt of each overlapping government.

City of Allen, Texas **Table 12**

Pledged Revenue Coverage
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Water and Sewer System Revenue Bonds				
	Total Revenues[a]	Less: Operating Expenses[b]	Net Available Revenue	Annual Requirement[c]	Times Coverage
2012	$ 30,218,985	$ 20,244,240	$ 9,974,745	$ 1,702,074	5.86
2013	32,199,528	23,061,918	9,137,610	1,588,049	5.75
2014	30,887,999	23,754,848	7,133,151	1,585,519	4.50
2015	36,275,063	26,397,770	9,877,293	1,513,860	6.52
2016	36,509,983	29,287,984	7,221,999	1,173,576	6.15
2017	37,609,746	33,023,729	4,586,017	1,169,082	3.92
2018	42,629,369	34,843,950	7,785,419	1,181,675	6.59
2019	44,571,666	38,156,431	6,415,235	1,501,610	4.27
2020	50,750,704	39,026,679	11,724,025	1,501,611	7.81
2021	49,805,566	39,647,944	10,157,622	1,874,030	5.42

Notes:
[a] As of 2009, Development fees are no longer included as part of the non-operating revenues and therefore are not included in the times coverage calculation.
[b] Includes operating expenses minus depreciation.
[c] Includes Principal and Interest.

City of Allen, Texas **Table 13**

Demographic and Economic Statistics
Last Ten Fiscal Years
(Unaudited)

Fiscal Year Ended September 30,	Estimated Population[a]	Personal Income	Per Capita Personal Income[b]	School Enrollment[c]	Unemployment Rate[d]
2012	$ 88,103	$ 3,298,664,423	$ 37,441	19,765	5.4%
2013	89,705	3,709,032,635	41,347	20,295	5.2%
2014	91,157	3,542,543,334	38,862	20,503	4.4%
2015	93,261	3,940,277,250	42,250	20,755	3.2%
2016	94,576	3,823,896,832	40,432	20,973	3.6%
2017	99,852	4,007,759,724	40,137	21,054	3.1%
2018	102,632	4,715,221,976	45,943	21,567	3.2%
2019	107,151	4,694,285,310	43,810	21,791	2.8%
2020	109,591	4,876,032,363	44,493	21,538	6.2%
2021	108,207 e	4,814,454,051	44,493	21,390	3.6%

Sources: [a]Estimated population provided by the City of Allen.

[b]Estimated Per Capita Income provided by U.S. Census Bureau based on current income trends within the area.

[c]Allen Independent School District.

[d]Texas Workforce Commission.

eThe reduction in population from prior years is due to inaccurate estimates used between the 2010 and 2020 decennial censuses.

City of Allen, Texas **Table 14**

Principal Employers
Current Year and Nine Years Ago
(Unaudited)

2021			2012		
Employer	Total Employees	Percentage of Total City Employment	Employer	Total Employees	Percentage of Total City Employment
Allen Independent School District	2,443	7.01%	Allen Independent School District	2,402	8.90%
Experian Information Solutions	870	2.50%	City of Allen	723	2.68%
City of Allen	847	2.43%	Frontier Communications	700	2.59%
Jack Henry & Associates	662	1.90%	Texas Health Presbyterian Hospital	670	2.48%
Andrew's Distributing	489	1.40%	Experian	619	2.29%
Texas Health Presbyterian Hospital	428	1.23%	PFSweb	450	1.67%
Netscout	425	1.22%	Andrew Distributing	450	1.67%
Credit Union of Texas	375	1.08%	Jack Henry & Associates	422	1.56%
Motorola Solutions	329	0.94%	Graphic Converting	215	0.80%
GC Packing LLC	300	0.86%	Quest Medical	198	0.73%
Total	7,168	20.56%	Total	6,849	25.37%
Total Allen Daytime Employees	34,857		Total Allen Daytime Employees	27,000	

Source: Top ten employers and employee count provided by Allen Fairview Chamber of Commerce and Allen Economic Development Corporation.

City of Allen, Texas **Table 15**

Full–Time Equivalent City Government Employees by Function & Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government and Administration	57.50	62.00	64.00	67.00	70.50	72.50	75.50	77.00	80.48	82.48
Public Safety	276.50	284.50	286.00	295.00	299.00	299.00	305.00	316.00	319.00	320.00
Public Works	53.00	53.00	54.50	55.50	59.00	59.00	60.50	62.50	63.50	63.50
Culture and Recreational	214.86	214.50	212.27	215.71	221.31	221.31	226.32	228.32	227.82	223.32
Water and Sewer	63.50	66.50	68.00	69.00	70.00	74.00	76.50	79.00	80.00	80.00
Golf Course	23.63	32.54	32.54	33.64	33.64	33.64	33.64	33.64	32.14	32.14
Community Development	28.00	26.00	27.00	27.50	28.50	27.50	30.50	32.00	32.00	34.00
Risk Management	2.00	3.00	4.00	4.00	4.00	4.00	4.00	3.50	3.50	4.50
Economic Development	4.25	4.25	6.25	7.00	7.00	7.00	7.00	7.50	7.50	7.50
Total	723.24	746.29	754.56	774.35	792.95	797.95	818.96	839.46	845.94	847.44

Source: City of Allen's Annual Official Budgets

City of Allen, Texas **Table 16**

Operating Indicators by Function & Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police										
Number of Employees	172	174	175	183	185	185	189	199	201	202
Number of Violations (Citations)	13,812	13,902	19,943	14,000	13,645	18,778	17,025	21,060	8,774	10,715
Fire										
Number of Employees	104	110	111	112	114	114	116	117	118	122
Number of Fire/Other runs	1,325	1,377	1,541	1,622	1,822	1,886	1,896	1,899	1,912	2,490
Number of EMS runs	3,193	3,613	3,703	3,812	4,162	4,210	4,667	4,898	4,725	5,753
Development Services										
Streets paved (miles)	4	1	4	1	5	5	6	2	2	87
Building Permits Issued[a]	5,192	6,013	9,538	7,549	7,022	7,116	7,126	9,414	6,440	6,104
Cultural and Recreational										
Parks and Recreation										
Park maintained & operated per acre	$ 5,117	$ 3,827	$ 4,022	$ 4,083	$ 4,092	$ 4,668	$ 4,675	$ 3,679	$ 3,667	$ 3,771
Participants in Leisure Service Programs	683,645	666,452	646,719	568,503	638,367	911,064	955,441	1,002,717	528,935	595,869
Rounds of Golf[c]	0	33,615	45,546	39,723	44,478	47,010	44,163	49,293	54,556	66,518
Library										
Volumes in Collection[b]	124,471	124,226	128,501	132,380	138,041	141,774	139,605	146,699	143,103	142,324
Water and Sewer										
Number of Water Consumers	27,974	28,669	29,124	29,750	30,332	30,920	31,391	31,922	32,334	33,109
Average Daily Water Consumption (gallons)	14,336,000	14,479,000	11,863,621	13,284,000	14,472,000	15,107,156	15,926,000	15,454,057	15,710,457	16,143,000
Maximum Storage Capacity (million of gallons)	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33.0	33	33.0
Sanitation										
Recyclables Collected (tons)	9,517	9,667	9,920	10,015	10,108	10,578	10,723	10,073	10,343	9,838
Solid Waste Collected (tons)	53,960	53,445	55,142	59,591	62,009	63,712	66,333	65,242	66,515	66,773

Source: City of Allen Departments

Notes: [a] Includes residential, commercial, and miscellaneous permits (e.g. for pools, fences, and roof repairs).

[b] Includes books and media.

[c] The Golf Course was closed for renovations during fiscal 2012 and was re-opened in January 2013.

City of Allen, Texas **Table 17**

Capital Assets Statistics by Function & Program
Last Ten Fiscal Years
(Unaudited)

	Fiscal Year Ended September 30									
Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Public Safety										
Police Stations	1	1	1	1	1	1	1	1	1	1
Police Patrol Units	27	27	27	27	28	31	31	31	31	44
Fire Stations	5	5	5	5	5	5	5	5	5	5
Police Motorcycle Units	4	4	4	4	4	4	4	4	4	4
Development Services										
Streets-Paved (miles)	325	326	330	331	336	341	347	349	351	438
Alleys-Paved (miles)	163	163	165	166	167	168	169	169	169	180
Cultural and Recreational										
Parks (acres)	597	597	599	599	607	614	689	691	691	691
Playgrounds	32	32	32	32	32	32	32	32	32	31
Swimming Pools (outdoor)	1	1	1	1	1	1	1	1	1	1
Recreation Centers	1	1	1	1	1	1	1	1	1	1
Senior Center	1	1	1	1	1	1	1	1	1	1
Tennis Courts	5	5	5	5	5	5	5	5	5	5
Natatorium	1	1	1	1	1	1	1	1	1	1
Visitor (Youth) Center	1	1	1	1	1	1	1	1	1	1
Golf Course	1	1	1	1	1	1	1	1	1	1
Event Center	1	1	1	1	1	1	1	1	1	1
Water and Sewer										
Water Mains (miles)	461	467	471	474	481	494	506	515	524	524
Fire Hydrants	4,144	4,210	4,329	4,398	4,560	4,675	4,982	4,934	5,316	5,359
Sanitary Sewers (miles)	346	352	354	356	361	370	379	386	393	393
Storm Sewer Lines (miles)	107	108	109	110	112	117	123	129	136	224

Source: City Of Allen Departments